



City of Kirkland
Planning and Building
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MEMORANDUM

To: Planning Commission

From: Janice L Swenson, Senior Planner
Allison Zike, AICP, Deputy Planning and Building Director
Adam Weinstein, AICP, Planning and Building Director

Date: March 4, 2024

Subject: **2044 Comprehensive Plan Update - Economic Development Element Policy Briefing, File No: CAM22-00023**

Recommendation

Receive a briefing and hold a study session to discuss draft revisions to the Economic Development Element goals and policies (see Attachment 1). Provide staff with direction to continue preparing the draft 2044 Comprehensive Plan Economic Development Element.

Focus Areas for Planning Commission

The Planning Commission (PC) should focus on the below questions for discussion after reviewing the memorandum and attachments:

1. Do Commissioners have any questions or feedback about any specific draft revisions to Economic Development Element goals or policies?
2. Are there any policy themes or concepts that you believe need to be incorporated into the draft policies?
3. Review the report from the students at the UW Evans School of Public Policy and Governance class (Attachment 2). Do you agree with staff's revisions responding to their recommendations?
4. Are there other recommendations you'd like staff to include in the draft policies or as implementation action items?

Background

The City of Kirkland is in the process of conducting a State-mandated update of the Kirkland Comprehensive Plan (Plan) with a target adoption date of end of 2024 (the State deadline for City Council adoption is December 31, 2024).

The PC was provided an overview of the existing Economic Development Element and community engagement activities at the January 25, 2024 meeting¹. The staff memo and attachments provide a summary of the current ongoing business-related services provided by the various City Departments, study issues for the Element, the

¹ <https://kirklandwa.primegov.com/Portal/Meeting?meetingTemplateId=809>

key themes we've heard as a result of the community engagement discussions (Economic Development Focus Group, Economic Development Survey, Youth Council, Senior Council) and from media announcements (This Week In Kirkland, Biz News newsletter, Govdelivery listserv).

At the January 25, 2024 meeting, the Planning Commission had the following comments for consideration in the revised policies:

Business Development

- Think of creative new ideas to encourage start-up businesses, develop accelerator spaces (along the Cross Kirkland Corridor, North Rose Hill, Totem Lake; see example of the Beltway in Atlanta);
- Allow pop-up shops on underutilized land or parking lots;
- Activate parks with businesses;
- Encourage retail stores that sell affordable products;
- Promote Kirkland as an arts destination by using synergistic marketing between the arts, hotels, restaurants, recreational businesses; and
- Encourage the community to buy and invest locally - examples: "Import Replacement" concept from Jane Jacobs; fund innovation; see Washington State micro-enterprise program.

Business Retention

- Concerns about commercial displacement caused by redevelopment or high commercial rents (e.g., losing existing businesses like Goodwill and Michael's stores brought up concerns that we may never get these types of businesses again, or that the City will see similar larger sites convert to housing permanently);
- The City could play a more active role encouraging small businesses and property owners to partner to fill vacant commercial retail spaces or facilitate short term leases; and
- Questions about the desired policy direction related to the future of auto dealerships because they provide a significant source of sales tax revenue to the City.

Support Commercial Uses in Lower-Density Zones

- With the caveat to prohibit vending machines; and
- Policies should stay at a high level to provide flexibility to allow zoning to incrementally adjust.

Support Encouraging Home Businesses

- They generate revenue for the city via sales tax and licensing fees;
- They support other local small businesses; and
- They are not all focused on creating products or services to sell; they can be high technology start-up businesses.

Discussed further along in this memo is a summary of results from a Home Occupation Survey conducted by the City Manager's Office and recommendations from students at the UW Evans School of Public Policy and Governance received on March 1, 2024.

Economic Development Element Review

Overview

The existing Economic Development Element was adopted in 2015 with the last Comprehensive Plan update. The Element contains the existing overarching Economic Development Strategy, along with a list of high-level objectives, goals, and policies to achieve the key strategy and objectives.

Goals and policies in the other general elements and city programs are also needed to support a strong, sustainable, local economy such as providing land use for commercial development to provide job opportunities, affordable housing, accessible transportation options, capital improvement infrastructure and public services.

The City is planning to accommodate an assigned employment growth target by 2044 of an additional 26,490 jobs.

HOUSING UNITS		JOBS	
Existing (2018)	K2044 Target (2019 – 2044)	Existing (2018)	K2044 Target (2019 – 2044)
38,656	13,200 (above 2018 existing)	49,280	26,490 (above 2018 existing)

Draft Revised Economic Development Element Goals and Policies

Attachment 1 provides a side-by-side comparison of the existing and draft revised Economic Development Element goals and policies. Staff is requesting PC feedback on initial draft revisions to strategies, goals, and policies. The draft revisions incorporate text amendments that are generally motivated by one or more of the following:

- Compliance with required State, regional, or countywide policies;
- Recommendations from the 2022 Equity Review of the Kirkland 2035 Comprehensive Plan;
- Addressing Kirkland 2044 study issues as directed by the PC and City Council;
- PC comments from your previous meeting on the topic;
- Community engagement activities held to date, comments from UW Evans School students (see below); and
- Alignment with the draft Kirkland 2044 Vision and Guiding Principles and in-progress draft revisions in other Plan elements.

The table in Attachment 1 includes staff notes to further explain the reasoning behind certain text amendments to respond to PC comments, study issues, public outreach, as well as notes indicating if the amendment is proposed to achieve compliance with a specific policy from an outside agency. The table also highlights several policies that staff anticipates focusing on during the March 14 PC discussion.

A majority of the PC comments and study issues have been addressed in the draft goals and policies. Some comments or study issues are allowed under existing zoning, are being implemented through an existing program, or are planned to be studied with the 2024-2026 Planning Work Program (home occupation regulations; parking requirements; commercial uses in neighborhoods). Some comments will need

further discussions with City Council or the Park Board (such as increasing businesses in parks or other public land) or are more appropriate for future code amendments (such as uses associated with commercial uses in residential areas) or may have budgetary or staff resource implications.

Additional Community Engagement Input to Consider

UW Evans School of Public Policy and Governance Class Project

Input on the draft goals and policies was received from students in the Local Government Course at the University of Washington Evans School of Public Policy and Governance class. The class is co-taught by former Kirkland Deputy City Manager Marilynne Beard.

In their report “*Fostering Inclusive and Equitable Economic Development in Kirkland*” (March 1, 2024), the students evaluate the community feedback received during the 2044 Comprehensive Plan update related to the Economic Development Element and make recommendations for revisions to the policies to better reflect the comments and to provide for a more equitable and inclusive local economy (see Attachment 2). Using case studies from other cities, the report also delves deeper into strategies, actions, and programs the City and business community could take to address three key themes from the community comments: 1) increasing affordable commercial tenant rents, 2) increasing “third places”, and 3) increasing pop-up commercial spaces and other ideas.

Below is a short summary of key takeaways from their recommendations.

Suggested Policy Revisions

Staff incorporated several of the student’s suggestions for revisions to the draft goals and policies in Attachment 1 (shown in bold).

- Policy ED-1.2 ...types of businesses that should be encouraged...add: *and public spaces...that support the needs of different groups in the community such as Blacks, Immigrants, People of Color (BIPOC), seniors, youth, and lesbian, gay, bisexual, transgender, queer, intersex, asexual (LGBTQIA)*. This is in response to the comments from youth and others for the desire to create more affordable types of businesses geared for youth (thrift stores, bookstores, outdoor stores, and music stores) and “third places” for connecting with others.
- Policy ED-1.7 encourages home based businesses and small-scale commercial uses in neighborhoods: add “safety” to the list of adverse impacts to avoid (noise, parking, light, odor) when considering the types of businesses in residential neighborhoods.
- Policy ED-1.8 supports locally developed enterprises by encouraging small start-up businesses: added text in potential action items for supporting affordable commercial incubator spaces, locations for pop-up businesses, working with local banks, tax rebate programs, providing mediation service assistance programs for lease negotiations.

Suggested actions and strategies

Strategy 1- Increasing affordable commercial rents

The report recognizes that the high cost of commercial rents can pose challenges for smaller businesses, especially immigrant and BIPOC owned businesses, or startup businesses. The students offered some other ideas to address this rising concern:

- Establish an arbitration/mediation program for tenants and landlords to reduce the cost of tenant spaces or to extend leases;
 - Create tax rebates or credits for landlords to maintain affordable rents, especially for underserved groups' businesses;
 - Establish eviction protections for businesses; and
 - Property owners or banks could limit personal guarantee requirements for commercial lease agreements, which would reduce a significant barrier to underserved groups' startups.
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- The City and business community could also help:
 - Establish small business incubator spaces at market- or below-market rates;
 - Convene meetings between banks and aspiring business owners to secure start-up capital and/or generous lines of credit;
 - Expand the number of below-market rate leases for existing City-owned property while purchasing/developing additional commercial buildings. Houghton Village Shopping site was suggested since its is owned by the City; and
 - Support community-based organizations and immigrant and BIPOC-owned business cooperatives in acquiring their own commercial properties for below-market rate leases.

Strategy 2 - Increase “third spaces” to complement business development

A common theme from youth emphasized the importance of third spaces to socialize outside the home or school. Third spaces allow for social interaction outside of work or home settings that are not necessarily tied to commodities (indoor/outdoor malls, libraries, cafes, community centers and pavilions). The students cite examples of programs to encourage these places:

- The City of Seattle’s “Seattle POPS - Privately Owned Public Spaces program” includes atriums, plazas, arcades, and hill climbs open to the public that are required or allowed through the Seattle Land Use Code as part of development; and
- The City of Kirkland’s Neighborhood Matching Grant Program could be expanded to include the purchase of small parcels of land for “Green Pocket” development.

Strategy 3 - Use pop-up commerce spaces to meet youth needs in commercial development.

The students explored strategies to encourage more businesses that offer affordable products and services (e.g. thrift stores, music, outdoor equipment, bookstores), along with public spaces such as parks, community centers, and recreational facilities:

- The City could work to develop more commercial spaces targeted at youth through a rotating pop-up retail space platform, such as the vacant retail space in the City-owned Houghton Village;
- Reach out to local entrepreneurs and businesses with youth customer bases outdoor recreation shops, art stores, etc. to encourage them to locate in Kirkland.; and

- Offer six-month long pop-up leases with highly affordable rents, similar to the City of Toronto, which charges tenants low rents along with 10% of sales beyond an agreed baseline.

Additional recommendations from the report:

- Create a task force to research historical economic inequities in Kirkland;
- Conduct additional community outreach to discuss what equitable economic development means in Kirkland;
- Partner with other cities who are leading similar economic initiatives; and
- Look at Houghton Village as a potential site to pilot the students' recommendations (rent caps, incubator spaces, pop-up shops).

If the PC agrees to any of the additional recommendations above, staff can incorporate them into the draft policies, goals, or as implementation action items.

City of Kirkland Home-Based Business Survey (OneEastside, November 2023)

In 2023, the City Manager's office retained OneEastside to conduct an online survey of Kirkland residents who maintained a home-based business within the city. The purpose of the survey was to gather feedback on existing business conditions for these businesses, and to learn about ways to support and help expand these businesses. The survey results (see Attachment 3) are helpful in assessing our existing Economic Development Element policies regarding home occupations and future home occupation regulations code amendments planned on the Planning Work Program.

OneEastside utilized the Survey Monkey system to design the survey. The survey was open in late August through October 30, 2023. A total of 308 responses were collected, with a 68% completion rate. The survey was available in English, Spanish, Portuguese and Chinese Simplified. A majority took the survey in English, with one individual taking the survey in Spanish and one in Portuguese.

Below are key takeaways from the survey results:

- While professional, scientific and management businesses make up almost 24% of the survey responses, 11 additional industries are represented as well as 17.82% in the Other category;
- Almost 60% indicate that the home-based business is their "main occupation," and 69% state that a room inside their home serves as their primary office location;
- Cost and convenience are chosen as the top reasons for continuing to operate from the home;
- Regarding experiences with the local and state governments, many respondents indicated they received their necessary approvals very quickly or do not remember, would like more opportunities for networking and community engagement, lower taxes and fees, and overall have mostly positive feedback about doing business in the City of Kirkland;
- Respondent demographics data indicate that approximately 55% of respondents identified as Girl/Woman, 37% as Boy/Man and 6% in Other with some feedback about the options. The age range of 45-54 saw the highest percentage of respondents at 28.9% (57), with 55-64 at almost 25% and 65+ at almost 22%.

Interestingly, the 25-34 and 35-44 age brackets had the lower percentages of respondents;

- Approximately 78% of respondents identified as White, with 15% Asian. About 88% of the respondents selected “No” to being part of the LGBTQIA community with 7% stating “Yes”; and,
- For the household income question, the top three responses were 31% who preferred not to answer, 28% who indicated a household income of \$250,000 or more and 10% who indicated an income of between \$100,000 - \$149,000.

Questions for Planning Commission

Staff would like the Commission’s feedback on the following questions:

1. Do Commissioners have any questions or feedback about any specific draft revisions to Economic Development Element goals or policies?
2. Are there any policy themes or concepts that you believe need to be incorporated into the draft policies?
3. Review the report from the students at UW Evans School of Public Policy and Governance class (Attachment 2). Do you agree with staff’s revisions responding to their recommendations?
4. Are there other recommendations you’d like staff to include in the draft policies or as implementation action items?

Next Steps

With PC feedback on the above questions, staff will continue to refine the draft goal and policy amendments and descriptive text in the Element. The PC will receive policy briefings for all the other elements within the Plan, as well as briefings on the Juanita and Kingsgate Neighborhood Plan Updates in the coming months. The PC will hold multiple public hearings on the Plan updates in Spring and Summer 2024. The Economic Development Element update public hearing is scheduled in June. City Council will complete final adoption by December 2024.

Attachments

1. Economic Development Element Draft Goals and Policies
2. Evans School Report
3. Home Occupation Survey results

Economic Development Element Update-Draft Goals and Polcies- 3/6/2024

**Note that highlighted goals and policies are suggested for discussion at the March 14 Planning Commission Meeting.*

EXISTING ECONOMIC DEVELOPMENT GOALS-POLICIES	PROPOSED GOALS OR POLICIES <u>Underlined text is proposed new text.</u> Strikethrough is proposed deleted text	NOTES FOR PLANNING COMMISSION	REASON FOR CHANGE: STATE, REGIONAL, KING COUNTY (KC) PLANNING POLICIES, EQUITY REVIEW, CMO ECONOMIC ACTION PLAN
Economic Development Strategy	Economic Development Strategy		
<p>The overarching economic strategy for Kirkland strives to provide:</p> <ul style="list-style-type: none"> -A sustainable and resilient economy -A diverse tax base -Access to job opportunities -Goods and services for the community 	<p><i>The overarching economic strategy for Kirkland strives to provide:</i></p> <ul style="list-style-type: none"> -A sustainable and resilient economy -A diverse tax base -Access to job opportunities -Goods and services for the <u>whole community especially for lower income households, communities of color, and other historically underserved or underrecognized people so that economic growth is distributed across the community.</u> 		<p>KC: EC-15; Equity Review; Vision 2050 promote a prospering and sustainable economy for all people; support businesses, job creation, investing in people</p>
<p>To accomplish this, the Economic Development Element:</p> <ul style="list-style-type: none"> -Encourages economic growth while maintaining attractive residential neighborhoods and a sustainable natural and built environment. -Promotes a growing and diverse economy that has a variety of business sectors, living wage jobs, exports goods and services and encourages small, start up, locally owned companies. -Promotes a positive business climate so businesses will grow and enhance Kirkland’s role in the Eastside and Puget Sound regional economy. -Supports economic growth focused in the Totem Lake Urban Center, Downtown, and other commercial areas. 	<p><i>To accomplish this, the Economic Development Element:</i></p> <ul style="list-style-type: none"> -Encourages economic growth while maintaining <u>attractive residential neighborhoods, vibrant business districts, and a sustainable natural and built environment;</u> -Promotes a growing and diverse economy that has a variety of business sectors, living wage jobs, exports goods and services and encourages small, start up, locally owned companies; -Promotes a positive business climate so businesses will grow and enhance Kirkland’s role in the Eastside and Puget Sound regional economy; -Supports economic <u>and employment growth consistent with the Puget Sound Regional Council Vision 2050 and the Regional Growth Economic Strategy, focused in the Totem Lake Urban Center, Greater Downtown Regional Growth Center, and other mixed-use commercial areas to meet our employment growth targets for the year 2044;</u> -Promotes <u>a sustainable balance of jobs and housing to provide adequate housing for those working in Kirkland and adequate jobs for those living in Kirkland.</u> -Maintains <u>infrastructure improvements and public services to businesses;</u> -Encourages <u>diversity, equitable, inclusive, and belonging (DEIB) employment practices; and</u> -Encourages <u>sustainable business practices and community resilience to climate impacts and resiliency during uncertain economic times.</u> 	<p>PC recommended to change word "attractive" to another word</p>	<p>Edit to add Greater Downtown Regional Center; encourage job/housing balance; growth targets KC: EC-1, EC-2, KC EC-3, KC EC-17, EC-26 MMP-Ec-6, (infrastructure investments) MMP-Ec-18 (jobs/housing balance) MMP-Ec-21 Equity Review, Sustainability Master Plan</p>

Economic Development Element Update-Draft Goals and Polcies- 3/6/2024

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<i>Business Retention, Expansion, Recruitment</i>			
Goal ED-1: Promote a strong and diverse economy that provides a sustainable tax base and jobs.	Goal ED-1: Promote a strong, and diverse <u>local</u> economy that provides a sustainable tax base, and jobs <u>a range of employment opportunities, and is coordinated and consistent with the Puget Sound Regional Council Vision 2050, the Regional Economic Strategy, and King County Policies.</u>		Added for consistency with PSRC Vision 2050, Economic Strategy, King County Policies
<i>Retention-Policy ED-1.1: Support activities that retain and expand existing businesses. Target recruitment activities toward new businesses that provide living wage jobs.</i>	<i><u>Revised ED-1.1: Support activities that retain, and expand existing businesses. Target recruitment activities toward businesses that provide living wage jobs. (recruitment emphasis moved to ED 1.2)</u></i> <i><u>Business Retention Actions may include:</u></i> <i><u>-Identify and conduct outreach to sectors within Kirkland's local economy to identify strategies for growth, diversification, and improvement.</u></i> <i><u>-Participate in and leverage efforts of regional partners to enhance economic diversity and growth in Kirkland</u></i> <i><u>-Identify existing and potential barriers to retention, expansion, and take active steps that include a range of strategies to mitigate them</u></i> <i><u>-Encourage clusters of complementary businesses that bring revenue and jobs into the community (such as: resulting synergy around marketing efforts for tourism businesses encouraging hotel stays, arts organizations, restaurants) and locally Kirkland produced goods and services to export outside the community.</u></i>	Addresses Planning Commission comments 1/25 regarding tourism synergy, buy local	MPP-Ec-1, MPP Ec-3; important to keep the living wage job focus;

Economic Development Element Update-Draft Goals and Polcies- 3/6/2024

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<i>Recruitment- Policy ED-1.2: Encourage a broad range of businesses that provide goods and services to the community.</i>	Revised Policy ED-1.2 : <i>Encourage a broad range of businesses that provide goods and services to the community <u>and public spaces that support the needs of different groups in the community such as BIPOC, seniors, youth, and LGBTQIA</u> . <u>Target recruitment activities toward new businesses that provide living wage jobs.</u> <u>Recruitment Actions may include:</u> <u>- Seek new initiatives, or incentives to encourage the use of vacant or underutilized land, parks, or commercial buildings for new start-up businesses</u></i>	-Addresses Planning Commission comments 1/25 regarding underutilized land, parks, parking lots -Evans School Students suggest this wording: Policy ED-1.2: Encourage a broad range of businesses and public spaces...that support D10he C5	Vision 2050 MPP
<i>Policy ED-1.3: Strengthen Kirkland's tax base to maintain long-term fiscal sustainability.</i>	<i>Policy ED-1.3: Strengthen <u>and diversify</u> Kirkland's tax base to maintain long-term fiscal sustainability <u>and develop and implement systems that provide a financial safety net during economic downturns and recovery</u> .</i>		KC Policy EC-27
<i>Policy ED-1.4: Encourage clusters of complementary businesses that bring revenue and jobs into the community and export goods and services.</i>	Delete ED-1.4 redundant with ED-1.1 Policy ED-1.4: Encourage clusters of complementary businesses that bring revenue and jobs into the community and export goods and services.		
<i>Policy ED-1.5: Strive to maintain a balance of jobs and housing to enable residents to live near work.</i>	<i>Revised Policy ED-1.5 (Policy ED-1.4): Strive to maintain a balance of jobs and housing to enable residents to live near work. <u>Job growth should be accompanied by growth in housing opportunities and transit access for workers filling those new jobs.</u> <u>Jobs and housing balance provides environmental and community benefits such as shortens vehicle miles traveled, reduces traffic congestion, reduces environmental pollution, improves land use efficiency, and creates a sustainable city.</u></i>	Addresses Planning Commission comments 1/25	MPP Ec-18, public comments supporting adequate housing options for workers. KC: EC-26

Economic Development Element Update-Draft Goals and Polcies- 3/6/2024

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<p><i>Policy ED-1.6: Promote Kirkland as a visitor, cultural, and entertainment destination.</i></p>	<p><i>Revised Policy ED-1.6 (Policy ED-1.5): Promote Kirkland as a <u>vibrant arts, culinary, shopping, and recreation</u> destination.</i> <i>The City can support businesses and tourism through these actions:</i> <ul style="list-style-type: none"> <i>•Support a proactive, dynamic tourism program to attract out of town visitors to play, stay, shop and dine in Kirkland.</i> <i>•Engage in partnerships with regional and local organizations to promote Kirkland to visitors.</i> <i>•Develop tourism promotion and incentive initiatives that attract visitors and support our hotels and local businesses.</i> <i>•Attract and support special and other events in the city which attract visitors.</i> <i>•Support a contemporary, responsive and attractive Visitor Center.</i> </p>	<p>Addresses PC comment 1/25 support for arts/szenergy</p>	<p>Consistent with CMO Action Plan; kept existing text related to compatible with neighborhood character MPP-Ec-1; MPP-Ec-20; KC:EC-14</p>
<p><i>Policy ED-1.7: Encourage home based businesses that are compatible with neighborhood character.</i></p>	<p><i>Revised Policy ED-1.7 (Policy ED-1.6): <u>Support the growth and needs of home-based businesses and small- scale commercial uses in residential areas that are compatible with surrounding neighborhood character to minimize adverse impacts related to safety, noise, parking, light, odor.</u></i> <i>Consider these actions:</i> <ul style="list-style-type: none"> <i>• <u>Ensure that regulatory development standards consider and support home occupancy businesses and small- scale commercial neighborhood businesses wherever appropriate.</u></i> <i>• <u>Provide and support business-to-business and business-to-consumer opportunities for home-based businesses and small -scale commercial neighborhood businesses.</u></i> <i>• <u>Provide and support technical assistance and growth opportunities for home-based businesses and small -scale commercial neighborhood businesses.</u></i> <i>• <u>Ensure communications strategies effectively reach and include home occupancy businesses and small- scale commercial neighborhood uses, and diverse communities where home-based businesses are common.</u></i> </p>	<p>Added to minimize impacts per PC comment 1/25 (not allowing alcohol related businesses or vending machines would be discussed at zoning code amendment phase) -Evans School Students suggested adding the word safety (to address community input).</p>	<p>CMO Action Plan; Study issue;</p>

Economic Development Element Update-Draft Goals and Policies- 3/6/2024

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<p><i>Policy ED-1.8: Support locally developed enterprises by encouraging small start-up businesses.</i></p>	<p><i>Revised Policy ED-1.8 (Policy ED-1.7): <u>Foster and support small and emerging businesses, industries, and entrepreneurship.</u> Support locally developed enterprises by encouraging small start-up businesses.</i></p> <p><i>Consider these actions:</i></p> <ul style="list-style-type: none"> <i>• Retention, expansion, and recruitment strategies to encourage micro, small, immigrant owned, woman-owned, Black, Indigenous, and other People of Color (BIPOC), LGBTQIA+, -owned, and mid-sized businesses</i> <i>• Encourage opportunities for business incubator spaces and locations for pop-up businesses</i> <i>• Identify key gaps in service and support for entrepreneurs and startups and collaborate locally and regionally to serve needs of these small enterprises.</i> <i>• Provide and support pathways to funding, including local banks, city, regional, state, and federal grant, loan, or tax rebate programs, and forge connective partnerships to support small business access to capital</i> <i>• Provide assistance – including technical and financial – in navigating regulatory requirements, opportunities and processes to lower barriers to entry, or in cases where businesses or jobs are at risk of displacement</i> <i>• Provide mediation service assistance programs for tenants and property owners to negotiate affordable commercial rents or extend leases to provide more time to relocate</i> <i>• Develop communications strategies and partnerships to ensure effective outreach efforts that successfully reach and include communities traditionally underserved by public communications channels</i> <i>• Improve language assistance and translation services, culturally appropriate processes and service delivery methods for immigrant and non-English speaking populations</i> <i>• Foster and promote workforce equity initiatives including living wages, workforce development, equity in hiring practices, access to education and training and more.</i> 	<p><i>-Addresses PC comment 1/25 small, emerging, innovative businesses</i></p> <p><i>-Evans School students suggested adding tax rebate programs, mediation services to maintain affordable commercial rents, incubator and pop-up locations.</i></p>	<p><i>CMO Action Plan; Equity Review; MPP Ec-7; Community Engagement; KC: EC-5, EC-6, EC-7, EC-16</i></p>
<p><i>New policy</i></p>	<p><i><u>New Policy 1.9 (Policy ED-1.8): Support, recognize, and empower the contributions of the city's culturally and ethnically diverse communities, institutions, and Native Tribes.</u></i></p>		<p><i>MPP-Ec-15, 17, 20; KC: EC-15</i></p>

Economic Development Element Update-Draft Goals and Polcies- 3/6/2024

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<i>Business Development and Services</i>			
<i>Goal ED-2: Promote a positive business climate.</i>	<i>Revised Goal ED-2: Promote a positive climate of <u>business support and services.</u></i>		Consistency with CMO Action Plan
<i>Policy ED-2.1: Create and maintain a competitive tax environment.</i>	<i>Revised Policy ED-2.1: Implement premier City customer service for business and development services. <u>Creare and maintain a competitive tax environment.</u> <u>Consider these actions:</u> <u>•Establish systemic coordination and communication between the City's Planning & Building Department, Finance Department, Public Works, City Manager's Office, and other departments.</u> <u>•Establish and support 'concierge-style' responsive and effective business and development services.</u> <u>•Make land use decisions that carefully evaluate short- and long-term economic benefits to the community in addition to social, environmental, and aesthetic concerns.</u> <u>•Conduct regular review of constituent complaints and update policies, procedures, codes, zoning and other guiding regulations to lessen barriers to business growth and economic development.</u> <u>•Continuely seek new ideas and provide materials to welcome new businesses to the city</u> <u>•Establish and convene a diverse Business Roundtable or equivalent to provide input and inform best practices.</u></i>		
<i>Policy ED-2.2: Foster a culture of creativity, entrepreneurship and innovation.</i>	Delete Policy ED-2.2- redundant with ED-1.8 promoting business entrepreneurs and innovation Policy ED-2.2: Foster a culture of creativity, entrepreneurship and innovation.		

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<p><i>Policy ED-2.3: Make land use decisions that take into consideration the effects on businesses and the economic benefit to the community.</i></p>	<p><i>Revised Policy ED-2.3 (Policy ED-2.2) <u>Policy ED-2.3: Make land use decisions and development decisions that prioritize mixed land use, density, access to transit, and affordable housing take into consideration the effects on businesses and the economic benefit to the community.</u></i> <i>Consider these actions:</i> <ul style="list-style-type: none"> <i>•<u>Develop and implement strategies that meaningfully grow the number of affordable housing units in the City and support and facilitate equitable and inclusive access to those units.</u></i> <i>•<u>Explore and promote commuter options that include easy and affordable connections to transit.</u></i> <i>•<u>Build legislative support for laws and policies that support the creation and opportunities for affordable housing in Kirkland.</u></i> <i>•<u>Explore and engage in public/private partnerships and initiatives that support the supply of and access to affordable housing.</u></i> <i>•<u>Create and support pathways to affordable housing for building owners, landlords, management companies, and tenants.</u></i> </p>		
<p><i>Policy ED-2.4: Provide a regulatory environment that is predictable, fair, responsive, and timely.</i></p>	<p><i>Revised Policy ED-2.4 (Policy ED-2.3): Provide a regulatory environment that is predictable, fair, responsive, and timely <u>by nurturing a business-supportive culture, particularly for Black, Indigenous, and People of Color, Immigrant and Refugee, LGBTQIA+, Disabled, and Women-owned businesses.</u></i></p>		<p>Equity Review, KC: EC-7, EC-15</p>

Economic Development Element Update-Draft Goals and Policies- 3/6/2024

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<p><i>Policy ED-2.5: Support tools that encourage economic development.</i></p> <p><i>Examples allowed by State statutes:</i></p> <ul style="list-style-type: none"> •<i>Public/private development agreements;</i> •<i>Recruitment strategies that will result in new jobs;</i> •<i>Tax or fee deferrals, credits, or waivers;</i> •<i>County-sponsored industrial revenue bonds;</i> •<i>Participate in County, State or federally sponsored low interest loans or grants programs;</i> •<i>Installing infrastructure improvements;</i> •<i>Use of special taxing districts;</i> •<i>Expediting permitting and regulatory incentives processes;</i> •<i>Participation in regional Transfer of Development Rights or Landscape Conservation and Local- Infrastructure programs;</i> •<i>Legislative support for a form of tax increment and other economic development tools.</i> 	<p>Revised Policy ED-2.5 (Policy ED-2.4): <u>Provide and</u> Support tools that encourage economic development.</p> <p>Types of economic development tools that could be explored are:</p> <ul style="list-style-type: none"> •Public/private development agreements; •Recruitment strategies that will result in new jobs; •Tax or fee deferrals, credits, or waivers; •County-sponsored industrial revenue bonds; •Participating in County, State or federally sponsored low interest loans or grants programs; •Installing infrastructure improvements; •Use of special taxing districts, <u>revenue bonds, tax increment, and other structure that might support appropriate growth and economic development;</u> •Expediting permitting and regulatory incentives processes; •Participate in regional Transfer of Development Rights or Landscape Conservation and Local- Infrastructure programs; •Legislative support for a form of tax increment and other economic development tools. •<u>Build legislative support for beneficial economic development</u> 		<p>Added resiliency goals; Consistency with CMO Action Plan; KC: EC-18</p>
<p><i>Vibrant Community Places and Diversity of Businesses</i></p>			
<p><i>Goal ED-3: Strengthen commercial areas to provide local goods, services, and vibrant community gathering places to live, work, shop, and play.</i></p>	<p><i>No change</i></p>		

Economic Development Element Update-Draft Goals and Polcies- 3/6/2024

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<i>Move to Goal 5- Policy ED-3.1: Encourage businesses to develop and operate in a manner that enhances the character of the community, minimizes impacts on surrounding development, and respects the natural environment.</i>	<i>Move Policy ED-3.1. to Goal 5</i>		MPP-Ec-8; Consistent with CMO Action Plan; Sustainability Master Plan: KC: EC-19, EC-20, EC-21
<i>Policy ED-3.2: Encourage infill and redevelopment of commercial and industrial areas.</i>	<i>Policy ED-3.2 No change (Policy ED-3.1)</i>		KC: EC-23 support...manufacturing/industrial centers...
<i>Policy ED-3.3: Support businesses and organizations involved in the arts, cultural programs, historic preservation, and civic activities.</i>	<p><i>Policy ED-3.3 (Policy ED-3.2): Support businesses and organizations involved in <u>tourism</u>, the <u>social and cultural diversity of local communities</u>, <u>arts, cultural programs, historic preservation, and civic activities.</u></i></p> <p><i><u>The City can support these types of businesses and organizations through the following actions:</u></i></p> <ul style="list-style-type: none"> <i><u>•Support a dynamic, inclusive and equitable public arts acquisition and engagement strategy that adds meaningfully to the city's public art collection.</u></i> <i><u>•Support to the Kirkland Cultural Arts Commission</u></i> <i><u>•Support to the Kirkland Heritage Society and Kirkland Landmarks Commission</u></i> <i><u>•Support cross-programming related to arts and culture among the city's arts organizations and with regional partners.</u></i> <i><u>•Support access to and inclusion in the arts by assisting the city's arts organizations with Diversity, Equity, Inclusion, Belonging and Accessibility effort, outreach, scholarship programs and the like.</u></i> <i><u>•Promote diverse and inclusive arts and cultural activities through the city's tourism program, Special Events permitting process, communications efforts and partnerships</u></i> <i><u>•Prevent the economic displacement of small, culturally relevant businesses and business clusters during periods of growth, contraction, and redevelopment. Mitigate displacement risks through monitoring and adaptive responses.</u></i> 	Addresses PC comment 1/25	Equity Review; KC: EC-14, EC-15, EC-16, EC-28

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<i>Policy ED-3.4: Support businesses that encourage the health and well-being of all people by providing convenient access to healthy and locally grown food.</i>	<i>Policy ED-3.4 No change (Policy ED-3.3)</i>		KC: EC-11 support regional food economy....
<i>No existing policy about this topic</i>	<u><i>New Policy ED-3.4 Support policies and initiatives that enable residents to live near work</i></u>		CMO Action Plan; 10 minute neighborhood philosophy; sustainability goals
<i>No existing policy exists</i>	<p><u><i>New Policy ED-3.5: Support Policies and Initiatives that encourage and ensure Diversity, Equity, Inclusion and Belonging (DEIB) within the community.</i></u></p> <p><u><i>Consider these actions:</i></u></p> <ul style="list-style-type: none"> <u><i>• Evaluate and implement policies, regulations, and processes that will create an economy that provides opportunities for all, particularly with a focus on those communities historically most disadvantaged and help to alleviate problems of poverty and income disparity.</i></u> <u><i>• Integrate measures of workforce prosperity into policy considerations and embed equity by emphasizing prosperity for people and not only businesses.</i></u> <u><i>• Create systems to track demographic data consistently over time that includes economic information and metrics related to black, indigenous, and other people of color business owners, women, or LGBTQIA business owners.</i></u> <u><i>• Enhance and support training opportunities for businesses and nonprofits in cultural competence, implicit bias, and other DEIB topics.</i></u> <u><i>• Create programs and policies that engage and encourage businesses and non-profits to incorporate socially just and equitable practices into their operations and business strategies.</i></u> <u><i>• Evaluate and implement policies and regulations that encourage the growth, development, and access to opportunities of immigrant owned, woman-owned, BIPOC owned, and underserved businesses such as certification assistance, fee deferrals, credits, waivers, loans, grants, contracting and purchasing processes, incentives, and other targeted support tools.</i></u> 	Evans School Students suggests continued community convesations about correcting historical inequities, new strategies, and actions to improve local economy, improvements to contracting and purchasing services	Equity review; MPP Ec-15; KC: EC-15

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<i>No existing policy</i>	<u><i>New Policy ED-3.6 Address and prevent potential physical, economic, and cultural displacement of existing businesses that may result from redevelopment and market pressure during periods of growth, contraction, and redevelopment. Weigh the community benefits of actions and mitigate displacement risks through monitoring, adaptive responses, and relocation assistance.</i></u>	-Addresses PC comment 1/25 regarding commercial displacement	KC EC-29- displacement; MPP - Ec-12; Centers;
<i>No existing policy</i>	<u><i>New Policy ED-3.7: Eliminate and correct for historical and ongoing disparities in income, employment, and wealth building opportunities for Black, Indigenous, and other People of Color; women; and other intersecting marginalized identities. . .</i></u>	Evans School Students suggests continued community convesations about correcting historical inequities, new strategies, and actions to "operationalize equitable economic development"	KC EC-15 historical disparities
<i>Policy ED-5.2: Promote socially responsible practices in the private, public, and non-profit sectors.</i>	<i>No change; (Moved from Goal 5): Policy ED-3.8: Promote socially responsible practices in the private, public, and non-profit sectors.</i>		Sustainability Master Plan; KC:EC-19, EC-20
Public Infrastructure and Technology			
Goal ED-4: Provide the infrastructure and public facilities to support economic activity and growth .	Revised Goal ED-4: Provide <u>the</u> infrastructure and public facilities to support economic activity and growth.		CMO Action Plan

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<p><i>Policy ED-4.1: Encourage construction and maintenance of infrastructure systems for utilities, transportation and telecommunications that optimize service delivery to the business community.</i></p>	<p><i>Revised Policy 4.1: <u>Support local and regional infrastructure initiatives that enhance Economic Development.</u></i> <i>Encourage construction and maintenance of infrastructure systems for utilities, transportation and telecommunications that optimize service delivery to the business community.</i></p> <p><i>Consider these actions:</i></p> <ul style="list-style-type: none"> <i>• <u>Support construction and maintenance of infrastructure systems for utilities, transportation, and telecommunications that optimize service delivery to the business community.</u></i> <i>• <u>Participate in regional partnerships to install transportation, utility, and telecommunications infrastructure.</u></i> <i>• <u>Form public/private partnerships to facilitate or leverage funds for infrastructure improvements that will increase economic opportunities.</u></i> <i>• <u>Ensure public investment decisions protect culturally significant economic assets and advance the business interests of Black, Indigenous, and other People of Color communities; Immigrant and Refugees; and other marginalized communities.</u></i> 		<p>Consistent with CMO Action Plan KC: EC-8, EC-9, EC-18, EC-28 MPP Ec-12</p>
<p><i>Policy ED-4.2 Create strong multimodal circulation linkages to and within commercial areas.</i></p>	<p><i>Revised Policy ED-4.2: Create strong multimodal circulation linkages to and within commercial areas <u>to ensure equitable access for employees and businesses</u> .</i></p>		<p>Equity review</p>
<p><i>Policy ED-4.3: Support regional infrastructure initiatives that enhance economic development opportunities.</i></p>	<p><i>Delete Policy ED-4.3. moved to action items in Policy 4.1 above.</i> <i>Policy ED-4.3: Support regional infrastructure initiatives that enhance economic development opportunities.</i></p>		

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<i>New Policy ED-</i>	<u><i>New Policy ED-4.3: Develop and implement systems that provide a financial safety net to maintain City services during economic downturns and recovery. Direct resources in ways that reduce inequities and build economic resiliency for those communities most negatively challenged to be able to provide basic household needs.</i></u>		
<i>Policy ED-4.2: Develop the Cross Kirkland Corridor to attract businesses and housing and provide a multimodal transportation facility connecting businesses and employees with local and regional employment centers.</i>	<i>Revised Policy ED-4.4 (Policy ED-4.4): Develop the Cross Kirkland Corridor to attract businesses and housing <u>while retaining options for</u> provide a multimodal transportation facility connecting businesses and employees with local and regional employment centers.</i>	Existing/revised policy addresses PC comment 1/25 to activate CKC for business development. Existing KZC Section 115 provide design/access requirements to activate development along the CKC	
<i>Policy ED-5.4: Help facilitate the environmental remediation of contaminated sites.</i>	<i>Moved from goal 5 (Policy ED-4.5): Help facilitate the environmental remediation of contaminated sites.</i>		KC: EC-24
<i>New ED policy</i>	<u><i>New Policy ED-4.6 Implement and promote smart city technology that enhances the City's economic goals.</i></u>		
<i>Sustainable Local Economy</i>			
<i>Goal ED-5: Foster socially and environmentally responsible businesses.</i>	<i>Goal ED-5: Foster <u>a</u> socially and environmentally responsible <u>local economy</u> businesses .</i>		
<i>Policy ED-5.1: Encourage businesses that provide products and services that support resource conservation and environmental stewardship.</i>	<i>Policy ED-5.1 No Change</i>		Sustainabiliy Master Plan; Equity review; MPP EC-16; KC:EC-8, EC-12, EC-13
<i>Policy ED-5.2: Promote environmental responsible practices in business development and operations.</i>	<i>Delete Policy ED-5.2 redundant with ED 5.2 below.</i>		Consistency with CMO Action Plan; Sustainability Master Plan KC EC-8, EC-9, EC-10; MMP-Ec-16

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<p>Moved from Goal 3- Policy ED-3.1: Encourage businesses to develop and operate in a manner that enhances the character of the community, minimizes impacts on surrounding development, and respects the natural environment.</p>	<p>Revised Policy ED-3.1 (moved) (Policy ED-5.2): Encourage <u>sustainable environmental practices in the commercial sector. businesses to develop and operate in a manner that enhances the character of the community, minimizes impacts on surrounding development, and respects the natural environment.</u></p> <p><u>Consider these actions:</u></p> <ul style="list-style-type: none"> <u>• Create programs and policies that engage and encourage businesses and non-profits to incorporate best environmental practices and social responsibility into their practices and to use renewable energy, clean technology, green building, as well as reduce waste, energy, water, and resource consumption.</u> <u>• Engage in regional, state, and federal efforts and practices that support sustainable commercial practices.</u> <u>• Add to the vibrancy and sustainability of our communities and the health and well-being of all people through safe and convenient access to local services, neighborhood oriented retail, healthy food, and transportation options.</u> <u>• Create strong multimodal transportation linkages and support pedestrian and nonmotorized access to and within commercial cores.</u> <u>• Work across City departments to implement, inform, incent, and engage the business community in sustainable business practices</u> 		<p>MPP-Ec-8; Consistent with CMO Action Plan; Sustainability Master Plan: KC: EC-19, EC-20, EC-21</p>
<p>New HB 1181/Sustainability Master Plan Policies related to Economic Development:</p>			
	<p><u>New Policy ED-5.3: Ensure the local economy is resilient to climate disruptions and fosters business opportunities associated with climate mitigation and adaptation.</u></p> <p><u>Consider these actions:</u></p> <ul style="list-style-type: none"> <u>-Encourage the business community to develop economic resilience plans for operations during uncertain economic times.</u> <u>-Support local businesses' efforts to bolster climate preparedness to and continuity of operations. (climate mitigation and adaptation plan)</u> 		

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	<u>New Policy ED-5.4: Partner with the business community to achieve the King County K4C goal of reducing driving per capita by 20% by 2030 and 50% by 2050, compared to 2017 levels by increasing access to transit, providing bicycle parking and amenities with new development, and consider reducing parking requirements in areas well served by transit.</u>		
	<u>New Policy ED-5.5: Facilitate a green jobs pipeline for frontline communities who may experience the most immediate and worst impacts of climate change and are often communities of color, Indigenous, and low income.</u>		
	<u>New Policy ED-5.6: Support workers displaced from carbon-intensive industries such as steel, aluminum, concrete, chemicals, aviation, marine shipping, and heavy trucking industries (that account for 30 percent of global greenhouse gas emissions).</u>		
Regional Coordination and Collaborative Partnerships			
Goal ED-6: Foster collaborative partnerships among community groups and regional organizations to achieve Kirkland's desired economic goals.	No change		MPP-Ec-2, EC-1
Policy ED-6.1: Partner with businesses and community organizations to create a prosperous Kirkland economy.	Policy ED-6.1: Partner with <u>a diversity of</u> businesses and community organizations <u>to ensure City services are accessible, inclusive, equitable, and responsive to community input</u> to create a prosperous Kirkland economy <u>t hat also contributes to the regional economy</u> .		KC: EC-8, EC-9, EC-10; Equity Review; MPP Ec-13

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<p><i>Policy ED-6.2: Work with businesses, schools, and other institutions to sustain a highly educated and skilled workforce through job training and education resources that lead to job opportunities, especially for disadvantaged populations.</i></p>	<p><i>Revised Policy ED-6.2: Work with businesses, schools, and other institutions to sustain a highly educated and skilled workforce through job training and education resources that lead to job opportunities, <u>increase graduation rates,</u> especially for disadvantaged populations, <u>Black, Indigenous, and People of Color communities, immigrant and refugees, and other marginalized communities.</u></i></p> <p><u>Consider these actions:</u></p> <ul style="list-style-type: none"> <u>• Align and prioritize workforce development efforts with the needs and requirements of BIPOC, immigrant, and other marginalized communities.</u> <u>• Develop and deepen relationships with community-based organizations best positioned to engage and support immigrant, BIPOC, and woman-owned businesses and workforce to access technical assistance and training.</u> <u>• Partner locally and regionally to connect the workforce with access to training and employment.</u> <u>• Collaborate with local colleges, universities, community colleges, technical colleges, private schools, and the Lake Washington School District to coordinate training and education necessary to support an appropriately educated and skilled local workforce consistent with the needs of the region's industry clusters.</u> <u>• Support entrepreneurs and early-stage businesses with training and development opportunities.</u> <u>• Provide training and access to certification programs at the local, state, and federal level for businesses in diverse industries and communities.</u> <u>• Evaluate and modify City procurement policies and procedures to reduce barriers, include underserved populations and improve access to opportunities.</u> <u>• Participate in the Eastside Virtual Job Fairs, WTIA Virtual Job Fair, and other connective programs to ensure access, outreach, and participation for relevant local businesses and job seekers.</u> 		<p>MPP Ec-10, MPP EC-11; KC EC-9, EC-10, EC-12, EC-13; Equity Review; City Manager's Economic Strategic Action Plan</p>

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<i>Performance Measures and Monitoring</i>			
<i>No existing Policy</i>	<u><i>New Policy ED-6.3 or move to Goal 1?: Evaluate the performance of economic development policies and strategies in business development and middle-wage job creation. Identify and track key economic metrics to help the City evaluate the effectiveness of local economic strategies.</i></u>		KC EC-4
	<i>Add to Element? Performance Economic Metrics Chart to consider See also Kirkland DEIB Five Year Roadmap Goal</i>		See also Kirkland DEIB Five Year Roadmap Goal; EcoNorthwest Report; KC: EC-4 recommends evaluating performance of ED policies and middle wage jobs creation...



MEMORANDUM

TO: City of Kirkland, Planning and Building Department

FROM: Tatiana Brown, Sarah Gibbons, Olivier Matendo, Anthonyne Metelus, McKenzie Boyle, and Damian Morden-Snipper

DATE: March 1st, 2024

SUBJECT: Fostering Inclusive and Equitable Economic Development in Kirkland

ISSUE

The City of Kirkland asked students in the Local Government Course at the Evans School of Public Policy and Governance to support the City's effort to encourage more inclusive and equitable economic development in their 2044 Kirkland Comprehensive Plan Update process.

BACKGROUND

The City of Kirkland is in the process of updating its 2044 Comprehensive Plan (CP) to guide the City's growth over the next 20 years. The CP's Economic Development (ED) section sets goals to support growth and vitality that enhance the City's character and quality of life. For years, Kirkland and other cities in the region have focused on generating economic development, measured largely in terms of job production, the business environment, and tax revenue. While these objectives continue to be important, there is growing interest in economic development's increased focus on economic prosperity for people, particularly around equity¹ and supporting communities historically disadvantaged. **Kirkland must effectively incorporate community voices, equity, and inclusivity into its economic development comprehensive planning.**

¹ Equity is defined as a process, or a series of actions intended to better identify, question, and disrupt historically oppressive structures, and work to create alternative structures.

In this memo, Evans students contribute to these efforts in two parts. Part one evaluates Kirkland's Comprehensive Plan Economic Development Element Goals and Policies for how they incorporate and address feedback collected from community engagement. Part two presents research on programmatic examples from other cities that inform how Kirkland can center equity in two of their Economic Development Comprehensive Plan draft policies.

DISCUSSION

Part 1: Evaluating Community Feedback in the Economic Development Goals & Policies

Evans students began this process by reviewing and identifying key themes in three of Kirkland's community engagement documents: the Economic Development Community Engagement Comments Summary 2023 document which included focus group comments; the Economic Development Element Community Survey Summary-1/18/2024; and the City of Kirkland Home-Based Business Survey Final Report. Evans students then read the 2044 Kirkland Comprehensive Plan Update Economic Development Element Goals-Policy Review Tool- *Draft 1/31/2024* document and assessed how these goals incorporate and consider community feedback, highlighting strengths and gaps. The following section identifies key community feedback themes (see *Appendix I* for comprehensive theme list), provides brief recommendations on how to better incorporate community desires into the draft goals and policies, and discusses research on potential strategies to operationalize community feedback. Themes highlighted the values of promoting, supporting, and prioritizing local businesses; supporting mixed-use residential zoning; and promoting community connections.

Overall, the updated draft economic development goals effectively incorporated community feedback. Kirkland's commitment to community engagement and community-driven planning were evident not only in the economic development goals themselves, but in convening sets of focus groups intended to encompass a broad sample of the community (see *Appendix II* for an overview of the demographic survey data used to develop the themes and feedback discussed).

Areas for Development

Incorporating key community feedback themes could strengthen several sections of the ED's goals and policies. The recommended policy revisions are underlined and described below.

- Policy ED-1.2: *Encourage a broad range of businesses and public spaces...that support the needs of different groups in the community such as BIPOC, seniors, youth, and LGBTQIA residents.* These additions are included as a response to feedback from the youth council that they would like more affordable businesses geared towards youth in Kirkland such as thrift stores, bookstores, outdoor stores, and music stores and incorporates community desire for "third spaces" to support community connection.
- Policy ED-1.7 *Support the growth and needs of home-based businesses and small-scale commercial uses in residential areas...to minimize adverse impacts related to safety, noise, parking, light, odor.* This addition incorporates the community's desire for increased safety measures with neighborhood commercial development such as sidewalks, speedbumps, and traffic support.
- Proposed revisions to Policy ED-1.8: *Support locally developed enterprises by encouraging small start-up businesses.* include a set of actions to consider. Based on community feedback, language on commercial rent affordability could be added.
- While the ED goals include a section on Sustainable Local Economy, the City did not solicit feedback on sustainability in surveys or focus groups. This is an area for development in future economic development community outreach.

Based on an analysis of public feedback, fruitful strategies for equitable economic development and operationalizing community feedback include (1) measures to increase affordability of commercial rents, (2) supporting the development of "third spaces" to complement business development, and (3) pop-up commerce spaces.

Strategy 1: Increasing affordability of commercial rents

Public feedback emphasized renting commercial space at current (high) market rates is

prohibitive and a major inequity in economic development. These cost barriers are especially substantial for immigrant and BIPOC-owned businesses who may not have the same access to capital and/or start-up funding as other businesses. Public comments repeatedly suggested the city adopt commercial rent caps as a primary means to increase commercial lease affordability.

However, the City cannot enact a legislative commercial rent control policy – that authority is reserved for the state legislature. In addition, few or no cities or states have active commercial rent controls that impose caps on commercial rents. Unpopularity and resistance to various proposed municipal and state bills suggests their passage is unlikely. Included are four other approaches Kirkland can take to increase affordability of commercial rents:

1. Requiring tenants and landlords to enter **arbitration/mediation if they cannot negotiate a rent rate** within a given time frame for a lease renewal, increasing the likelihood of reaching a fair rental price.
2. **Tax rebates or credits for landlords to maintain affordable rents**, especially for underserved groups' businesses. This would incentivize landlords to rent commercial property to businesses they may consider riskier because of a lack of capital or long-established credit.
3. **Increased eviction protections for businesses** (e.g., extensions of eviction notification periods to allow the businesses time to find another viable location instead of closing).
4. **Limiting personal guarantee requirements for commercial lease agreements**, which would reduce a significant barrier to underserved groups' startups that may not be able to pay rent from personal finances if the business folds.

Kirkland is also exploring *two non-regulatory ideas* for increasing commercial rent accessibility.

1. Establish small business incubator spaces – facilitating connections/positive relationships between aspiring business owners and landlords increases landlord willingness to rent to businesses at market or below-market rates.
2. Convene meetings between banks and aspiring business owners to secure start-up capital and/or generous lines of credit. These practices would

create a more favorable environment for new immigrant and BIPOC-owned businesses, especially when combined with the policy mechanism of commercial rent regulations.

A second set of approaches involves the *City acquiring more commercial property* to provide affordable rents. For example, Kirkland could expand the number of below-market rate leases for existing city-owned property (an existing practice for some nonprofits and businesses) while purchasing/developing additional commercial buildings. Another strategy is supporting community-based organizations or immigrant and BIPOC-owned business cooperatives in acquiring their own commercial properties for below-market rate leases. Both approaches require substantial capital, strong political support, and would be part of a longer-term plan for increasing affordability of commercial rents.

Strategy 2: Third spaces to complement business development

Third spaces are defined as physical spaces that facilitate social interaction outside of work or home settings that are *not necessarily tied to commodities*. The interior spaces of malls, libraries, cafes, community centers and pavilions are all examples of third spaces that are core to creating thriving urban environments. Public comments emphasized the importance of third spaces for youth who wish to recreate outside the home or school. Third spaces support foot traffic between commercial areas and host regional events like year-round farmer’s markets, another common desire highlighted during public comment.

The City of Seattle’s “Seattle POPS - Privately Owned Public Spaces program” serves as a case study for active third-space investment. POPS include atriums, plazas, arcades, and hill climbs open to the public that are required or allowed through Seattle Land Use Code, or as a result of a street vacation. Seattle POPS retain access to public spaces during development and foster a sense of neighborhood character – expressed desires in the community engagement process. The City of Kirkland currently administers a Neighborhood Matching Grant Program to invest in and revitalize Kirkland neighborhoods. The grant is primarily available for development projects and community-oriented events that provide public benefit. Expanding the scope of the matching

grant to include the purchase of small parcels of land for “Green Pocket” development may increase access to third spaces within Kirkland.

Strategy 3: Use pop-up commerce spaces to meet youth needs in commercial development.

Feedback from the youth council, highlighted desires for an increase in businesses that match the interests and affordability needs of young people in the community. The benefits of leisure infrastructure such as parks, community centers, and recreational opportunities to youth are already well known and include the ability to positively socialize with peers, increased autonomy, and reinforced feelings of community. However, youth are often excluded from this discussion is how commercial spaces operate as social spaces.

The youth council cited a desire for more places to shop (e.g., thrift stores, music stores, outdoor equipment stores, and bookstores). While most of Kirkland retail space is limited and subject to the actions of private property owners, the City can work to develop more commercial spaces targeted at youth through a rotating pop-up retail space platform. The vacant retail space in the City-owned Houghton Village is well-suited for a pilot opportunity. This effort would 1) align with the City’s goal to create a thriving, walkable, sustainable retail development focused on arts and culture and 2) support youth leisure, enrichment, and entertainment, and 3) advance larger, more permanent investments into community goals (e.g., enhancing the vitality and viability of mixed-use commercial areas and building a “shop local” culture). Some beginning steps to developing a small business pop-up shop include:

1. Reaching out to local entrepreneurs and businesses with youth customer bases. These include businesses such as vintage clothing sellers, consignment shops, entertainment businesses (bookstores, arcades, game stores, music stores), outdoor recreation shops, art stores, etc. Tenant applications should be compelling, viable and relevant to youth.
2. Offering six month long pop-up leases with highly affordable rents. Certain cities such as Toronto have charged tenants low rents along with 10% of sales beyond an agreed

baseline. Low rents support new and small businesses “test the market” and potentially find long term leasing opportunities in the community for their business.

Reviewing Kirkland's economic development goals in the context of public feedback yielded valuable insights about the language and content of the goals, as well as areas for improvement. Major public feedback themes highlighted the strength of Kirkland’s economic development goals and potential priorities for policy. Whether or not Kirkland adopts the strategies proposed, the City can use them as input for revisions to its economic development goals.

Part 2: Exploring Alternatives and Recommendations to Kirkland

This section delves into specific programmatic examples from other cities (i.e., case studies) to inform the successful implementation of two key policy initiatives in the economic development comprehensive plan (ED 1.8 and ED 3.X). The content analysis synthesized secondary data from the case-study cities and publicly available government documents, providing key insights and actionable recommendations that promote equity in the City’s ED. See *Appendix III* for general guidelines to implement Policy ED-1.7, as requested.

Policy ED-1.8: Foster and support small and emerging businesses, industries, and entrepreneurship. Support locally developed enterprises by encouraging small start-up businesses. Seven actions were recommended for consideration (see *Appendix IV* for list).

Kirkland staff expressed interest in exploring the concept of “incubator spaces” – these effectively 1) integrate community concerns discussed in Part 1 on support and affordability of commercial renting and 2) address three of the seven recommended actions (actions 1, 4, and 6) to achieve ED-1.8. Examples hosted in Seattle (Pike Place Market), Tukwila (Spice Bridge), and SeaTac (SeaTac International Mall) were evaluated on their operational mechanisms and community integration. See *Appendix V* for full summaries on each of the case studies (including origin stories and key characteristics) and *Appendix VI* for specific mechanisms that promoted the success of each. Two common themes for success emerged from the analysis:

- 1) The incubator connects its physical space to other community priorities, fostering a sense of deep community care and mutual aid. *Pike Place Market* offers low-income housing to residents in the downtown area. *Spice Bridge* hosts the Tukwila Village Farmers Market (a collaborative effort with the International Rescue Committee) and community meals program, bringing affordable produce and free meals to community members in need. *SeaTac International Mall* hosts an “East African Community Services” non-profit offering critical afterschool programming.
- 2) The solutions are unique to the community’s history and context, they fill a need. *Pike Place Market* was a community initiative to preserve local and small-scale vendors in the historic downtown neighborhood. *Spice Bridge* serves the refugee community historically displaced and redlined to the south of Seattle (i.e., those south of I-90). *SeaTac International Mall* addresses the displacement of fifty historic businesses and loss of a cultural Somali refugee gathering space with the closure of *Bakaro Mall* in 2019.

Other shared mechanisms that promoted success were deep collaboration with community partners to increase collective impact, reduced rent rates to businesses, technical support programs (see *Appendix VII* for list), supporting businesses with providing a customer-base, and planning for growing pains to prevent long-term failure.

Policy ED-3.X [New]: Addressing disparities in income, employment, and wealth building opportunities for marginalized peoples.

The interconnected nature of socio-economic challenges asserts progressive procurement as the primary recommendation for Policy ED-3.X – it looks to build and retain community wealth by implementing intentionally equitable practices through citywide contracting and purchasing activities with BIPOC, minority, and women-owned firms (MBE’s). Example activities include the use of translations and accessible language, internal capacity building for socially responsible sourcing, training and growth opportunities for firms, and monitoring, among others. Universal Basic Income (UBI) is recommended as a supplementary strategy.

Historically, the underrepresentation of MBE's in government contracting has been attributed to discrimination, lack of financial resources, limited access to information and guidance, and nontransparent procurement processes. Similar struggles are reflected in Kirkland's community, with desire to support and provide resources for starting businesses, and to prioritize the wellbeing of local small and medium-sized businesses listed as major themes from community feedback. To address procurement and the engagement of minority owned businesses, the City of Seattle's citywide contracting equity (CE) program is used as a local case study.

The City of Seattle's Citywide Contracting Equity Program

Though the cities differ in size, the CE framework adopted by Seattle serves as a model for program development in Kirkland. With each department having their own goals set for both contracting and purchasing services, Seattle's CE program facilitates the inclusion of MBE'S in city work. Annual department goals and updates are dependent upon current yearly budget projections and spend plans, upcoming projects and work plans, and adjustments due to past goals and performances. Yearly assessments include data on citywide spending, overall MBE use, community outreach examples, and available training. See *Appendix VIII* for considerations on the development and implementation of a CE program.

City of Tacoma – Growing Resilience in Tacoma (GRIT)

The implementation of UBI acts as a secondary strategy for community support, as it addresses ongoing disparities in income for marginalized individuals. The development of UBI relates to Kirkland's community economic development goals as these funds can be used to support socialization and inclusive community connection. While the demographics of Tacoma differ from that of Kirkland, a similar program is recommended as the criteria for qualification can be changed to fit the needs of Kirkland residents.

Inspired by temporary COVID-19 relief programs, [GRIT](#) is an interagency agreement that was launched as a relief program for families that are disproportionately experiencing poverty within

Tacoma. Qualified residents are single income constrained and employed households with incomes between 100% and 200% of the federal poverty level who reside in Tacoma’s Eastside, Hilltop, South Tacoma, or the South End neighborhoods – with a focus on BIPOC individuals. The program provides \$500 a month for 12 months to families and aims for the funds to be used as a means of security and resilience.

Initial qualitative data indicates users are satisfied with the program, with funds being used primarily for local retail sales and services – reinvesting funds into communities. Complete analyses of the program are expected later in 2024 and, given support from sponsoring agencies, will likely be renewed. See *Appendix IX* for recommendations on qualification criteria and implementation considerations for establishing UBI in Kirkland.

NEXT STEPS FOR ELECTED OFFICIALS

The City of Kirkland should use the research, case studies, and implementation steps provided in this memo to support the process of updating the economic development comprehensive plan. Information provided should be used as a launching pad to conduct additional research to better understand how the discussed programs fit with the City’s needs and capabilities. City council members and staff should reach out to cities highlighted in the case studies to learn about their experiences and evaluate the feasibility of adopting similar programs. Additional steps to integrate equity and inclusion into Kirkland’s economic development include:

1. **Create a task force to research the historical landscape of Kirkland** and identify how existing inequities were created (migration of communities of color, restrictive policies, language barriers, concentration of low-income housing units, etc.). This enables Kirkland to offer equitable development in the future that effectively addresses historic inequities. Questions to start with: Why do Black Americans make \$40k less than the average Kirkland resident (all races)? Why is the highest concentration of Black residents in Bridle Trails (4.26%), a historic equestrian neighborhood? Why is the Hispanic population most highly concentrated in the Everest Neighborhood (12.09%), which served as the railroad entry into the city? Why are there pockets of poverty in East Finn Hill where the

average income is \$105,543? Why were racial covenant laws only in Juanita Point? Why are Asian American residents the wealthiest, on average (all races)? How do these conditions influence current realities of community members of color?

2. Determine the way the community is needing equitable economic development. Look to neighborhoods that are experiencing disinvestment or have endured historical displacement. *What do they need? What have they lost? Work to protect it.* See the changing language landscape of Kirkland (reflects influx of immigrant communities) as an opportunity to provide a community asset to the city.

3. Connect the equitable development project to a larger community purpose/benefit. Partner with other cities who are leading similar initiatives to leverage their expertise and project insight, as well as to communicate the larger equity outcomes in economic development goals.

4. Look at Houghton Village as a potential site to pilot the discussed programs (e.g., third places, rent caps, incubator spaces, pop-up shops, etc.). As owners of the property, Houghton village offers the City flexibility and strategic opportunity to operationalize equitable economic development and implement important community needs such as affordable and diverse commercial spaces, housing, and cultural and community hubs. Located within a walkable ten-minute neighborhood with frequent transit service, the property is a prime location to support the needs of underserved community members.

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APPENDICES

APPENDIX I. Community Feedback Themes

Community Feedback Themes

- Promote a diversity of businesses; avoid a singular focus on tech
- Support commercial development that meets youth needs
- Prioritize, support, and promote local small and medium-sized businesses
- Reduce resident reliance on cars and support having businesses that are within easy reach of walk, bike, or transit from neighborhoods.
- Improve infrastructure to increase foot traffic to businesses
- Maintain the character, quiet, and safety of Kirkland residential neighborhoods while supporting some nearby commercial development
- Keep business rents low so they stay where they are
- Cultivate “middle sector” jobs and invest in accessible transit and affordable housing to ensure the feasibility of these jobs as sources of livable income
- Support businesses to get started and learn industry-relevant skills by providing educational webinars, workshops, networking events, classes, and other tools and resources
- Create a pop-up spaces for small business and minority owned businesses
- Provide “third places” to support community connection and youth socialization

APPENDIX II. Demographic Data from Kirkland’s 2024 Economic Development Community Survey (EDS) [primary] and Kirkland’s 2023 Home-Based Business Survey Report (HBR).

Understanding data and demographics is important to economic development programming as it allows initiatives to be tailored to the needs of the community, ensuring actions are targeted, relevant, and supports an inclusive and sustainable system. The following data were observed:

<u>Demographics</u>	<i>While the total population is 96,920, there were 257 responses to the EDS, and 308 responses to the HBR.</i>
<u>Race</u>	<i>Of EDS responses, 78% were White, 19% preferred not to respond, 8% were Asian, and 6% were other minority groups. 78% of HBR respondents were listed as White, 15% were Asian, and 7% were other minority groups or preferred not to respond.</i>
<u>Gender Expression</u>	<i>53% of EDS respondents identified as Women, 31% were Men, and 12% preferred not to answer. 55% of HBR respondents identified as Woman, 37% as Man and 6% identified otherwise.</i>
<u>Businesses</u>	<i>Surveys received similar responses around the industries that businesses were involved in. Professional services were noted to be the most common, making up 43% of EDS respondents and 24% of HBR respondents.</i>
<u>Community preferences</u>	<i>Refer to Part 1 for the analysis of community preferences and values.</i>

APPENDIX III. General Guidance for Kirkland to implement Policy ED-1.7 (as requested)

Policy ED-1.7: *Support the growth and needs of home-based businesses and small-scale commercial uses in residential areas that are compatible with surrounding neighborhood character to minimize adverse impacts such as noise, parking, light, odor.*

Promoting equity in the growth of home-based and small-scale commercial uses in residential areas requires a thoughtful and inclusive approach that considers current planning, zoning, resource allocation, and ordinances. Below are five recommended strategies:

1. **Equitable Planning Considerations:** During planning, focus on inclusivity and equity. Ask critical questions such as who benefits, who participates, relevant regulations and laws, existing ordinances, and the level of community engagement.
2. **Zoning Regulations Revision:** Evaluate and revise zoning laws to streamline and facilitate the operation of home-based and small-scale commercial businesses. Provide clarity on regulations, ensuring they encourage rather than hinder the growth of small businesses.

3. **Resource Allocation:** Ensure that financial assistance, guidance, and promotional initiatives are available to all home-based businesses, irrespective of income levels. Prioritize local businesses to foster economic growth within the community.
4. **Limiting Business Impact:** Implement ordinances to maintain compatibility with residential areas and reduce disruptions to the community.
5. **Community Participation:** Engage with key stakeholders, including small business owners, residents, and local organizations, to ensure a diverse range of perspectives and needs are considered throughout the planning process.

APPENDIX IV. Part 2 Full-length version of ED-1.8 policy in updated Comprehensive Plan

Revised Policy ED-1.8 [categorized under business retention, expansion, recruitment goal]: Foster and support small and emerging businesses, industries, and entrepreneurship. *Support locally developed enterprises by encouraging small start-up businesses. Consider these actions:*

1. *Including micro, small, immigrant owned, woman-owned, Black, Indigenous, and other People of Color (BIPOC), LGBTQIA+,-owned, and mid-sized businesses in retention, expansion, and recruitment strategies and efforts.*
2. *Identify key gaps in service and support for entrepreneurs and startups and collaborate locally and regionally to serve needs of these small enterprises.*
3. *Provide and support pathways to funding, including city, regional, state, and federal grant and loan programs, and forge connective partnerships to support small business access to capital.*
4. *Provide assistance – including technical and financial – in navigating regulatory requirements, opportunities and processes to lower barriers to entry, or in cases where businesses or jobs are at risk of displacement.*
5. *Develop communications strategies and partnerships to ensure effective outreach efforts that successfully reach and include communities traditionally underserved by public communications channels.*
6. *Improve language assistance and translation services, culturally appropriate processes*

and service delivery methods for immigrant and non-English speaking populations.

- 7. Foster and promote workforce equity initiatives including living wages, workforce development, equity in hiring practices, access to education and training and more.*

***Previously:** Policy ED-1.8: Support locally developed enterprises by encouraging small start-up businesses.*

APPENDIX V. ED-1.8 Case Study Full-Descriptions + Origin Stories

Seattle, WA. Pike Place Market, Preservation & Development Authority (PDA).

In 1971, Seattle voters instated a not-for-profit public corporation (i.e., a Public Development Authority (PDA)) known as “Pike Place Market” to save the market from being torn down in the “Pike Place Urban Renewal Project.” The PDA (est. 1973) owns 85% of the nine-acre property and historic district, possessing control of the lease, assets, real estate, and businesses. The PDA is governed by a council of 12 volunteers, which inform daily operations and determine which small businesses (farmers, craftspeople, and music buskers) will be featured in the market. The 1973 charter mandated the PDA must increase opportunities for small-scale farm and food retailing; not engage in activities that create private gain (maintains the entity as a public good); and not sell any assets for above market price. Today, the market supports over 90 Washington State farmers, 200 local craftspeople each day, 240 food purveyors each day, and over 300 buskers annually.

Tukwila, WA. Spice Bridge Global Food Hall, Tukwila Village.

In 2020, the Food Innovation Network (FIN) created the non-profit organization “Spice Bridge” to provide a physical, 2800 square foot facility to host food vendors that emerge from their Food Business Incubator Program (est. 2017). The target demographic is women of color and immigrants in South King County looking to start thriving food businesses. The incubator hosts eight rotating vendor spots in-house and kitchen space for another five businesses pursuing off-site pop-ups

SeaTac, WA. SeaTac International Mall, City of SeaTac Economic Development Team.

In 2021, three community members banded together mixed funding from the city, private businesses, and nonprofits to open the “SeaTac International Mall.” The Mall hosts an indoor Somali shopping mall, grocery store, deli, and non-profit office space and serves as a community gathering place. The 21 vending stalls aim to serve the target demographic of East African immigrants and refugees in SeaTac. Although it is in its early stages and not technically a fully-functioning incubation space yet, the Mall does offer subsidized rent at \$650-\$700 per

month and aims to provide technical assistance. It intends to both grow new businesses and support the long-standing businesses finding their way back into the SeaTac community following displacement in 2019. The Mall offers a cautious story on equitable economic development and who stands to benefit – the Somali refugee community was displaced in favor of a \$15.5M mixed-use housing project that expects to bring \$40M.

APPENDIX VI. Key Mechanisms for Success of Incubator Space Case Studies (ED-1.8)

Incubator <i>(City, Project, Planning Entity)</i>	Top Mechanisms for Incubator Success
Seattle: Pike Place Market, Preservation & Development Authority (PDA), est. 1971	<ol style="list-style-type: none"> 1. Mix of long-standing vendors and rotating pop-ups, diversifying revenue streams and attracting consistent patronage (people come to shop at favorites and explore the new). 2. Various spaces offered: daystalls (permit-system for craftsmen and farmers, positions are determined by seniority), highstalls (permanent produce stalls), and busker permits. 3. Regulations that limit space offered to each craftsperson or farmer, promotes fairness. 4. Does not welcome businesses with locations outside the Market. Preserves local and small-scale businesses, creates a sense that everything is unique, and draws customers. 5. Leases designed for new businesses, below-market rental rates, and a \$15M annual potential customer base provides safety for businesses to experiment and excel.

<p>Tukwila: Spice Bridge Global Food Hall, Tukwila Village, est. 2020</p>	<ol style="list-style-type: none"> 1. Addresses the lack of affordable commercial kitchen and restaurant space. 2. Assists in navigating the start-up process of permitting, subsidized facility access, connection to market providers, and meeting industry standards through technical assistance and training (e.g., 1:1 help and workshops). 3. Builds the business' peer network with the goal of graduating them within two years.
<p>SeaTac: SeaTac International Mall, City of SeaTac Economic</p>	<ol style="list-style-type: none"> 1. Subsidized rent at \$650-700 per month, increasing potential reach for its 21 vendors. 2. Mixed-attractions to cultivate "a community gathering place": indoor Somali shopping mall, grocery store, deli, non-profit office space, chiropractor, and prayer rooms.
<p>Development Team, est. 2021</p>	

APPENDIX VII. Additional Technical Resource Examples for Small-Businesses

1. [Seattle, WA. Business Impact NW.](#) Business Impact NW is a nonprofit Community Development Financial Institution (CDFI) dedicated to serving underbanked entrepreneurs. We provide coaching, classes, and access to capital to community small businesses, with an emphasis on working with traditionally underserved populations – entrepreneurial low/moderate income earners, women, BIPOC, veterans, immigrants or members of the LGBTQ+ community. We have been serving the community since 1997.
2. [Seattle, WA. Endeavor NW.](#) Created through a collaboration between Business Impact NW and Seattle Metropolitan Chamber of Commerce, Endeavor NW connects BIPOC business communities to market opportunities to help stimulate inclusive growth. The initiative is designed to advance a more equitable regional economy.
3. [South King County, WA. “Resource Guide,” Food Innovation Network.](#) The FIN offers an extensive online resource guide that helps communities better connect to their goals. There are four main categories: food security, gain a job or culinary skills, plan my dream business, and grow a business. Each prompts the user to select their language (Burmese, English, Nepalese, Spanish, and Somali).
4. [PNW. Craft 3.](#) Craft3 is a lending group grounded in addressing three primary regional challenges: rural and tribal economies, systemic racism, and the climate crisis. They provide pathways to businesses looking to advance equity and justice in their communities through direct help in gaining business loans.
5. [King County’s Communities of Opportunity Commercial Affordability Pilot.](#) This pilot focuses on the financial and environmental factors that contribute to the displacement of established business and barriers to stability and growth of newer businesses. The Pilot builds on existing projects within COO partner communities promoting commercial affordability, identifies new tools to increase access to capital, and finds ways to address other barriers to commercial affordability (e.g., technical assistance for business operations or capital improvements).

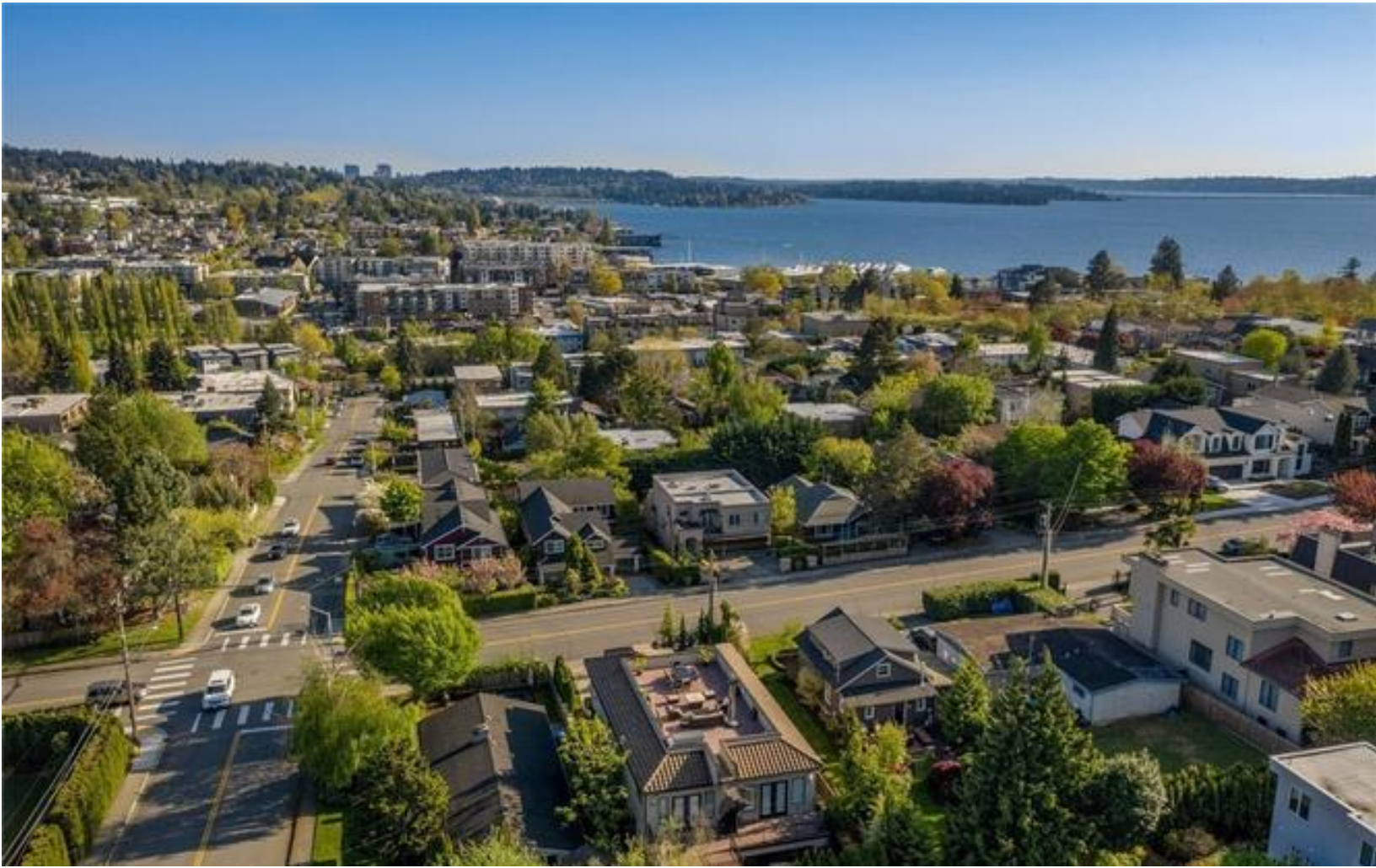
APPENDIX VIII. Considerations for a Contracting Equity program in Kirkland, Policy ED-3X

Considerations for the Development of a Progressive Procurement Program			
<u>Stage 1: Establishing Need</u>	<u>Stage 2: Goal Setting</u>	<u>Stage 3: Outreach</u>	<u>Stage 4: Monitoring and Growth</u>
<p>Analyses may be used to understand local market conditions, determine the city’s current use of MBE’s, create a baseline for goals, and establish the need for progressive procurement.</p> <p>General market research helps to ID potential suppliers and to assess the vendor pool.</p> <p>A utilization analysis examines who is awarded contracts and subcontracts during a fiscal year.</p> <p>A disparity analysis compares the percent of contract and subcontract funds received by MBE’s (dollar amounts) to the available MBE’s in a fiscal year.</p>	<p>MBE use and program implementation goals should be set, as informed by findings in Stage 1. Accountability measures and means of accounting for performance should be determined as well.</p> <p>If Kirkland were to follow Seattle’s procurement structure, contracts are to be categorized into two main categories: purchasing and consultant contracts.</p> <p>Purchasing contracts involve the actual acquisition of goods or services.</p> <p>Consultant contracts involve specialized services or recommendations from an individual or a consulting firm.</p>	<p>To achieve goals outlined in Stage 2, opportunities for knowledge sharing and community engagement should be developed.</p> <p>Capacity building efforts for government staff should be employed via training and departmental support. These efforts work to enhance understanding of progressive practices and how equity plays a part in employee processes.</p> <p>Community engagement can work to connect firms to city processes and build community among firms. Examples of relevant engagement strategies include: information sessions on city systems and general procurement, technical support, and updates on bidding opportunities.</p>	<p>In assessing performance of the procurement program, an annual reporting protocol is necessary.</p> <p>Reports should track performance of suppliers and MBE use, assess the impact of procurement decisions on communities, and identify areas for continuous improvement.</p> <p>Updates to goals should be stated.</p> <p>Publish and share these reports to maintain transparency and accessibility in contracting efforts.</p>

APPENDIX IX. Considerations for a UBI Program in Kirkland, Policy ED-3X

Considerations for the Development of UBI in Kirkland

Program Development	Define UBI, and identify Funding mechanisms	<p>Defining UBI is critical, as this step begins to clarify the scope, purpose, and general eligibility criteria of the program. Policy action should be enacted. This ensures a shared understanding of what the program should entail among stakeholders, policy makers, and community members.</p> <p>Appropriate funding mechanisms are crucial for sustainability and long-term implementation. Tacoma’s GRIT program is an interagency collaboration- Kirkland should consider if/how to partner with local agencies moving forward.</p> <p>Additionally, considerations to existing welfare initiatives and funding should be made; the UBI program is meant to supplement, not replace, current social welfare programming.</p>
	ID Kirkland’s Target Populations	<p>GRIT identifies target populations by considering census tract status, poverty level, and employment status. It is recommended that Kirkland adopt a similar framework.</p> <p>Given the GRIT criteria, Kirklands Totem Lake and Bridle Trails neighborhoods would be suitable for programming.</p>
Implementation Considerations	Community Engagement and Technology	<p>Community engagement works as a means to inform and educate the public about the UBI program, its benefits, and how to participate. Feedback is also able to be collected at this stage.</p> <p>Technology aids in data management (enrollment, payment processing) and the dissemination of information. Online resources with program information allows for greater understanding and contributes to transparency.</p>
	Pilot Programming	<p>Pilot programs test the feasibility and effectiveness of the UBI concept before full implementation. During the piloting process it is important to consider: sample size, duration, and how effectiveness will be measured.</p>
	Monitoring and Evaluation	<p>During monitoring and evaluation, the use of qualitative and quantitative data is recommended to assess economic and social impacts on recipients. The use of comparison groups/ control conditions work to isolate the effects/impact of intervention.</p>



City of Kirkland Home-Based Business Survey Final Report

November 2023



Executive Summary

In Q3 of 2023, OneEastside was hired to develop an online survey of Kirkland residents who maintained a home-based business within the city. The purpose of the survey was to gather feedback on existing business conditions for these businesses, and to learn current ideas for support and future expansion plans.

OneEastside utilized the Survey Monkey system to design the survey. The survey went live in late August, with responses beginning through the City of Kirkland batched e-mail promotion to home-based businesses licensees on August 21st. The survey closed on October 30th.

308 total responses were collected, with a **68% completion rate**. The survey took on average 11 minutes for responders to complete. The survey originally rolled out only available in English but three languages translations became available in September – Spanish, Portuguese and Chinese Simplified. Almost 98% took the survey in English, with one taking the survey in Spanish and one in Portuguese. Recommended additional languages selected by surveyed constituents included French by one respondent and Arabic, Hebrew, and German by one respondent.

Based on survey results, Kirkland home-based businesses exist in almost all of the 21 Kirkland neighborhoods (and a few more not listed), with the largest number of home-based businesses being located in Finn Hill (25), North Juanita (23), Other (18), and Central Houghton (16). Within the Other Category, Kingsgate was a top listed location.

Interestingly, industries listed for the home-based businesses vary. While professional, scientific and management industries do make up almost 24% of the survey results, 11 additional industries are represented as well as 17.82% in the Other category. Almost 60% indicate that the home-based business is their “Main occupation,” and almost 69% state that a room inside their home serves as their primary office location.

The respondents clearly indicate their interest in remaining in their home, with 86.7% noting they plan to do so. However, almost 6% did indicate they may expand and seek a new space in the future and about 7% of respondents indicated they were unsure or gave other answers. Cost and convenience are chosen as the top main reasons for continuing to operate from the home.

Regarding experiences with the local and state governments, many respondents indicated they received their necessary approvals very quickly or do not remember, would like more opportunities for networking and community engagement, lower taxes and fees, and overall have mostly positive feedback about doing business in the City of Kirkland.

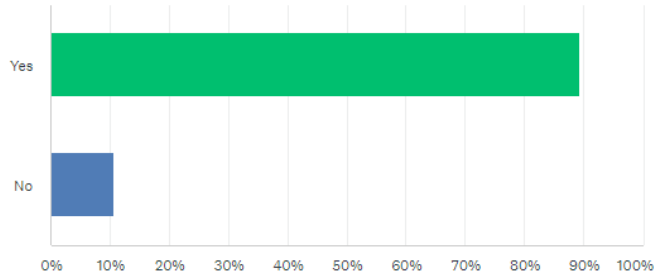
Respondent demographics data indicate that approximately 55% of respondents identified as Girl/Woman, 37% as Boy/Man and 6% in Other with some feedback about the options. The age range of 45-54 saw the highest percentage of respondents at 28.9% (57), with 55-64 at almost 25% and 65+ at almost 22%. Interestingly, the 25-34 and 35-44 age brackets had the lower percentages of respondents. Approximately 78% of respondents listed as White, with 15% Asian. About 88% of the respondents selected “No” to being part of the LGBTQIA community with 7% stating “Yes.” For the household income question, the top three responses were 31% who preferred not to answer, 28% who indicated a household income of \$250,000 or more and 10% who indicated an income of between \$100,000 - \$149,000.

The following pages will show responses to all 24 questions, including individual responses to several of the questions.

Q1: Do you operate a business out of your home?

Do you operate a business out of your home?

Answered: 308 Skipped: 0

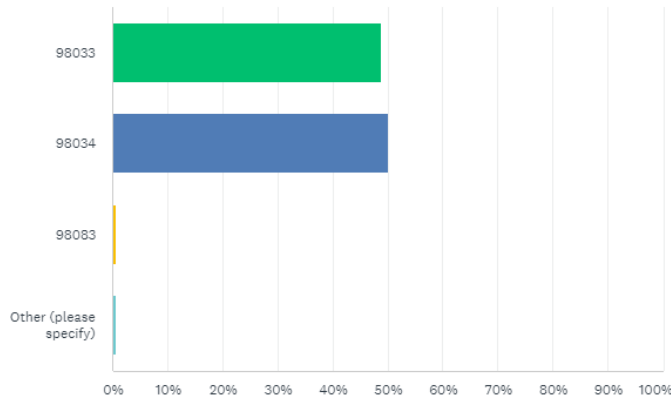


ANSWER CHOICES	RESPONSES	
Yes	89.29%	275
No	10.71%	33
TOTAL		308

Q2: Which City of Kirkland zip code do you live in?

Which City of Kirkland zip code do you live in?

Answered: 174 Skipped: 134



ANSWER CHOICES	RESPONSES	
98033	48.85%	85
98034	50.00%	87
98083	0.57%	1
Other (please specify)	Responses 0.57%	1
TOTAL		174

Q3: Which neighborhood do you live in?

ANSWER CHOICES	RESPONSES	
▼ Bridle Trails	1.15%	2
▼ Central Houghton	9.20%	16
▼ Everest	2.30%	4
▼ Feriton	0.00%	0
▼ Finn Hill	14.37%	25
▼ Firloch	0.57%	1
▼ Highlands	4.02%	7
▼ Lake Park	1.15%	2
▼ Lakeview	1.15%	2
▼ Manitou	0.00%	0
▼ Market	2.87%	5
▼ Moss Bay	6.32%	11
▼ Norkirk	10.34%	18
▼ North Juanita	13.22%	23
▼ North Rose Hill	5.17%	9
▼ Oskams Corner	0.00%	0
▼ South Juanita	5.75%	10
▼ South Rose Hill	3.45%	6
▼ Sweetbriar	0.00%	0
▼ Totem Lake	8.62%	15
▼ Other (please specify) Responses	10.34%	18

Additional responses under “Other”: Juanita Country Club, Bellevue, Kingsgate (10), Goat Hill, Education Hill, 1 block from Bell Elementary, Juanita, Evergreen Hill, and Lendmain.

Q4: What type of business do you operate from your home? Please describe below.

Business Type	Number of them
A mobile business of french crepes and galettes	
A rental property at another Kirkland property	
Accounting	
Accounting	
Investment advisor, the other is a publisher of a finance-related membership website.	
Ad-based Mobile App	
Advertising	
Aesthetic pruning	
Alpha Executive Coaching	
Architectural Servicee	
Architectural services	
Architectural services	
art classes online and consultations in person	

Artist Studio	
AT YOUR SERVICE HOME APPLIANCE REPAIR	
Bookkeeping	
business consulting	
Candles	
Ceramics	
Certified Professional Organizer	
Child care	
Coaching	
Commercial janitorial services	
Commercial Real Estate Investment Advisory and Property Management	
computer software	2
Condominium Management Company and Sales & Marketing of imprinted apparel	
Consultancy	25
Cosmetology	
Court reporting & legal video	
CPA/Tax Services	2
Custom software development	
Daycare	
Digital Games and other digital media (podcast, streaming, e-books)	
Digital Services	
E-commerce	2
Editing services	
Education	
Educational (ESL) and Language Services (Interpreting/Translation)	
educational website	
Engineering services	
Esthetician/Spa	
Etsy shop/selling my own art	
Event planning	
Family Office Support and Daily Money Management	
Floral	
freelance art & online retail	
Freelance Editing	
Freelance photography	

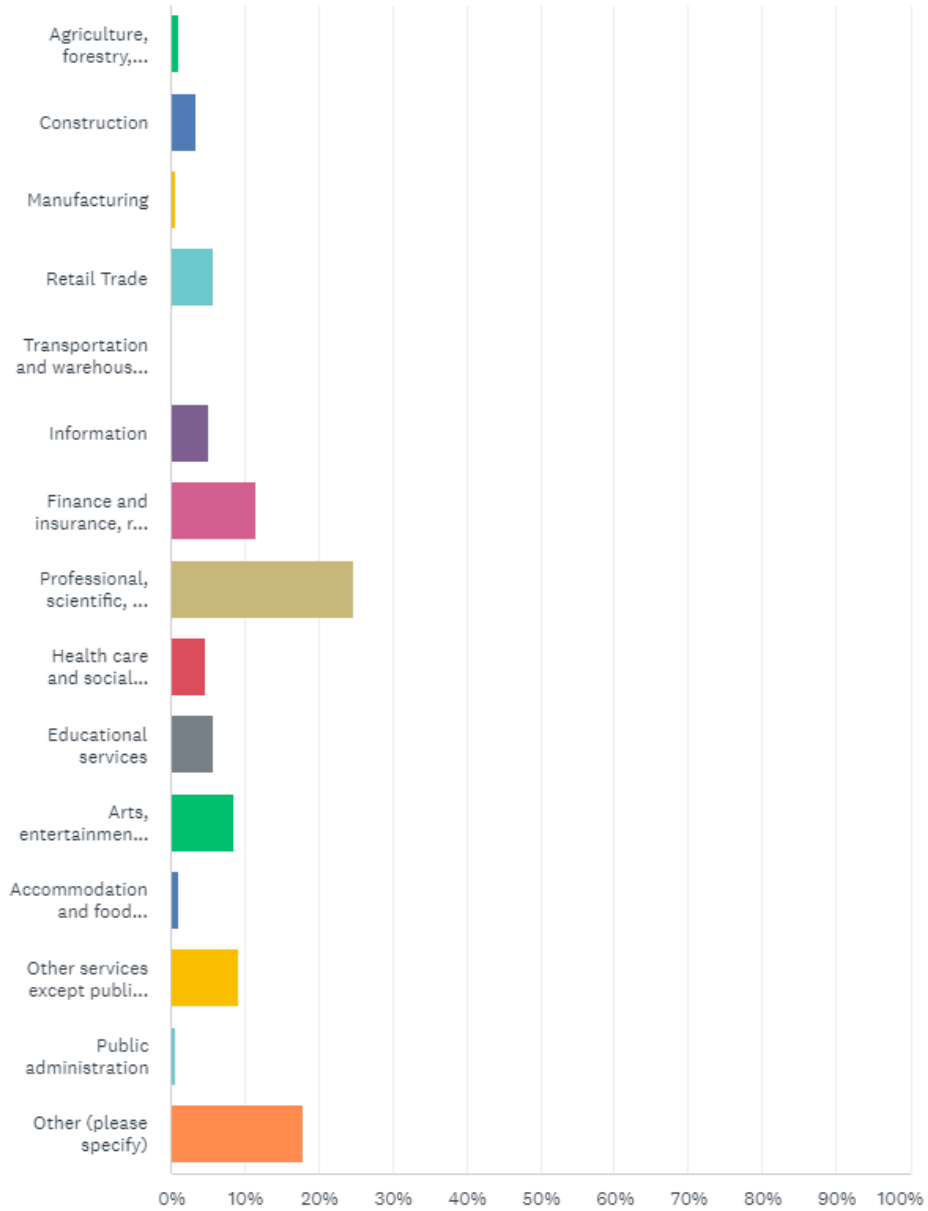
gardent design	
Graphic designer/sole proprietor business	
Hair salon	
Half day preschool	
Health care	
Horseracing partnership	
I freelance as a writer. Companies pay me to write their website, blog, ads, etc.	
I operate a website where I publish and sell self-guided fly fishing experiences	
I run a blog	
I run a Swim Lesson business	
I teach piano, giving piano lessons to individuals	
I work as a freelance writer and editor. Services only, no products	
Importer	
In home childcare	
Independent contractor - intellectual property (patents)	
Interior Architect	
Interior Design	3
Internet - software as a service	
Internet mail order	
Jewelry	2
Land Use Planning Consulting	
Law firm	4
Life Coaching	
Manage a rental home in Kirkland	
Management consulting	
Market research and insights consulting	
Marketing	3
Medical	
Microscope service and repair	
Mobile Physical Therapy	
mushroom eco-tours, mushroom education & publications	
none at the moment	
Office only for the two owners, online only, no customer visits	
Online mobile game	

online sales	
Online sustainable baby clothing -retail and wholesale	
painting	
Pet sitting & dog walking	
Photographer, events, headshots, product shots	3
Physical therapy	
Piano School - Mostly administrative work	
Plumbing shop	
Private Cello teacher	
Product Management Consulting	
Professional Assistant	
Property Management	3
Public relations	
Real Estate/rentals	8
Remodel contractor	
Rental of my condo Longterm	
Rental properties	
Resume Services	
Retail fine art photography - sell at art shows.	
Retail Violin Shop	
Retirement consulting	
Room rental (long term), Uber driving	
Service Industry - Home repairs and renovation	
Social media	
software consultancy/development	4
Teach Spanish in a creative way using movement .	
Technical book author	
technology	
Telehealth Mental health	
Training and Consulting	
Transportation consultant	
Veterinary teleradiology consulting	
Voiceover Artist	
Wellness Coaching and Meditation teacher	
Writing/Consulting	
Yacht Deliveries	
Yoga & Health Coach (Alternative Medicine)	

Q5: What industry would you say your home-based business falls under?

What industry would you say your home-based business falls under?

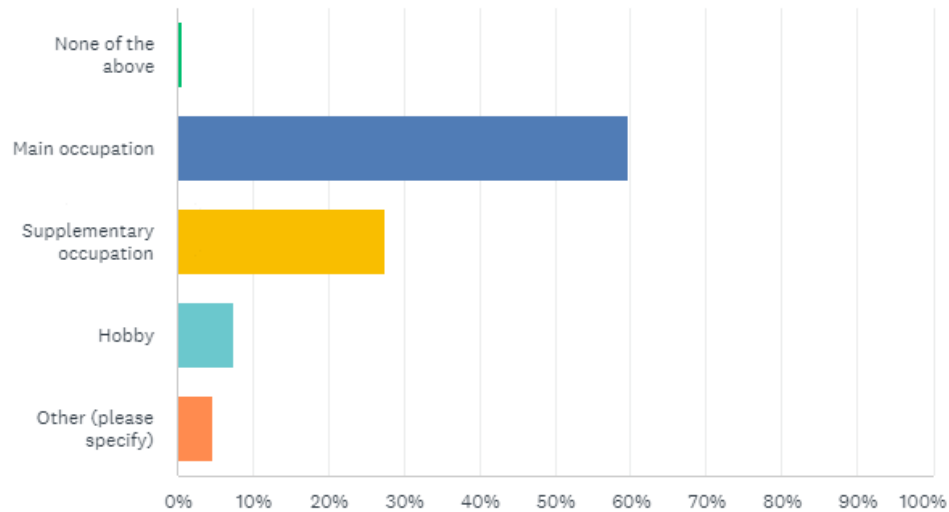
Answered: 174 Skipped: 134



Q6: Which of the following best represents your home-based business?

Which of the following best represents your home-based business?

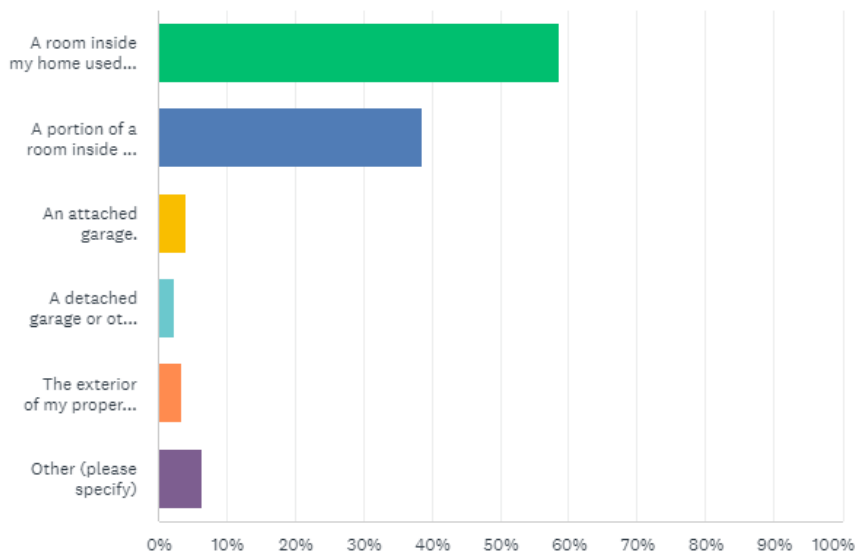
Answered: 174 Skipped: 134



Q7: What best describes the physical space you use to complete tasks for your home-based business (Check all that apply.)

What best describes the physical space you use to complete tasks for your home-based business? (Check all that apply.)

Answered: 174 Skipped: 134



Q8: How long have you operated your business from home?

Less Than 1 Year: 13%

1-3 Years: 26%

4-10 Years: 26%

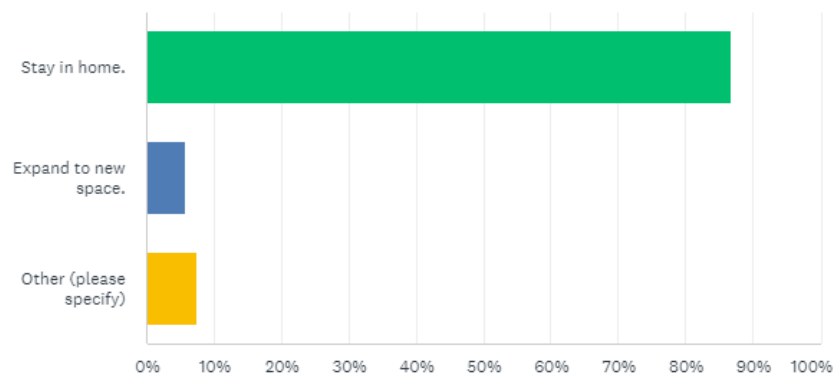
10+ Years: 35%

(Note – if this question is asked again in a future survey, one lesson learned would be to make this a selective range rather than manual, individual write-in. Range could be Less than 1 year, 1-3 years, 4-10 years, 11+ years). Do not recommend asking for date started, as many cannot recall and question could be skipped.)

Q9: Do you plan to continue to operate your business from your home or do you plan to seek a new space?

Do you plan to continue to operate your business from your home or do you plan to seek new space?

Answered: 174 Skipped: 134



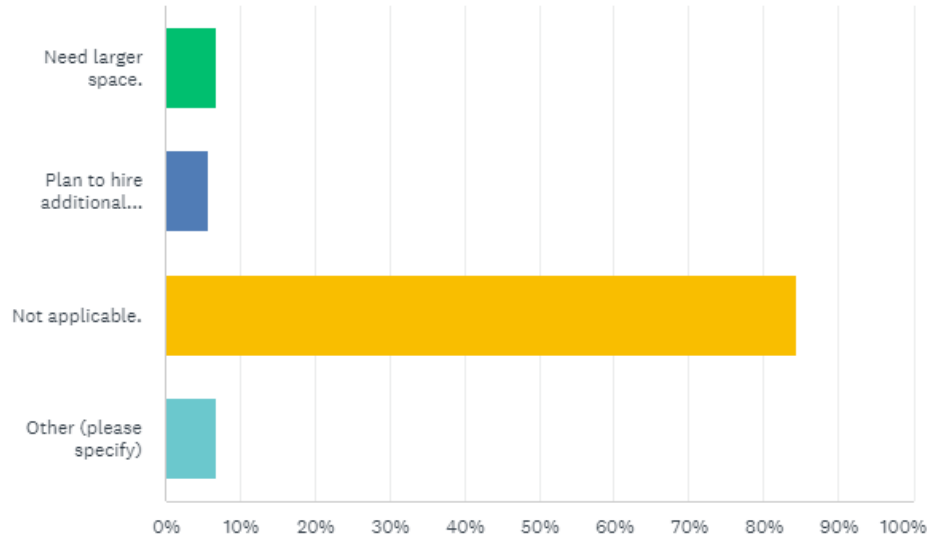
“Other” answers included:

- We might expand to a new space if there was something like a co-working space nearby.
- May rent space and work from home.
- We intend to keep this house operating as a long term rental for the foreseeable future.
- Services will mainly take place at other people’s homes, gyms, offices.
- Depending on need right now it’s just me.
- I have a property manager in the Kirkland area. I do not live in the home.
- End the business as quickly as possible.
- I would like to move into a space like Pop Shops on Main in Bothell. I will probably have to stay working from home.
- Uncertain (3).
- I do NOT plan to continue to operate business from home.

Q10: If you need new space, why do you need it? Check all that apply.

If you need new space, why do you need it? Check all that apply.

Answered: 174 Skipped: 134



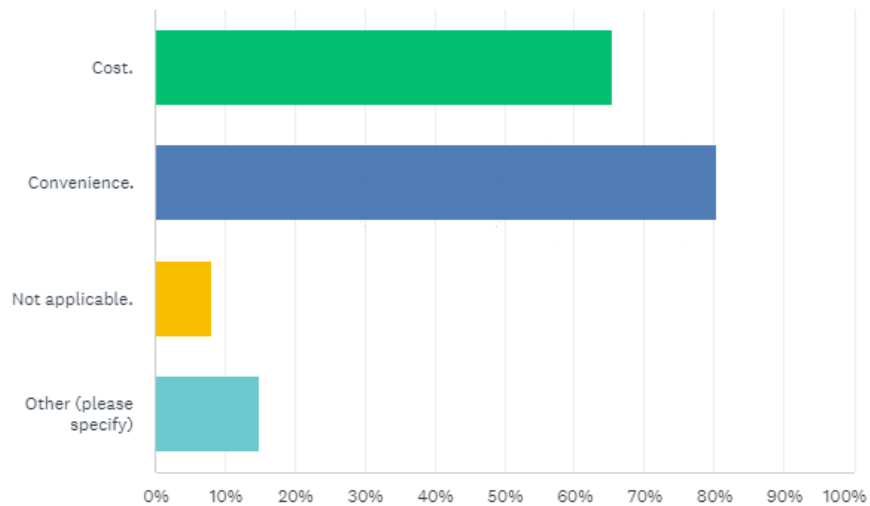
“Other” answers included:

- I need bigger space to hold wellness workshops.
- Meeting space.
- To offer clients in-person services.
- Small Commercial room.
- Tired of working alone from home.
- Want business address not associated with home.
- To grow and gain more exposure with in person customer interaction.
- Take-away space in Kirkland.
- More privacy.
- Business image and suitable for clients, privacy.
- I would like to have a private office space as opposed to working from my dining table.

Q11: If you plan to keep your business in your home, why? Check all that apply.

If you plan to keep your business in your home, why? Check all that apply.

Answered: 174 Skipped: 134



“Other” answers included:

- We wish to avoid Covid infections.
- Formal clinic setting not needed.
- I meet all my clients virtually.
- Since it's just me and a computer, it's easy unless I have staff.
- It's convenient for now.
- Cost of the licenses is very high.
- It's not big enough to need space.
- Only admin work is done from home.
- It's a single-person business and the nature of the business is purely online.
- Would wait until business grows.
- My business is totally remote.
- Because I have for 23 years.
- Managing a rental home doesn't require too much space.
- I go to clients house for meeting.
- My work as a consultant is fully remote, so I don't need an office space.
- City of Kirkland has too many fees/costs that prohibit expansion outside my home.
- Not needed.
- Go to clients onsite.
- Uncertain economic future.
- I am semi-retired.

Q12: How can the City of Kirkland help you maintain or expand your business in your home and beyond?

174 surveyed responded to this question with a wide variety of answers. Top responses included:

- Reduce/don't raise taxes and fees.
- Support home-based businesses through marketing and promotion – events.
- Develop co-working spaces with conference/meeting spaces.
- Make a directory of services or incentives for using local providers.
- Make the permitting process accessible/faster to home-based businesses.
- Grants, incentives.
- Develop educational programming, technical support.
- Ensure reliable, high-speed internet and electricity.
- Make it easier to discover contracting opportunities from city government and local businesses.

The full list of responses is located on Page 19 of this report.

Q13: About how long did it take you to receive all necessary approvals from government entities before you could begin operating your home-based business?

The 174 responses ranged from “Immediately, not long and no delays,” to “2-4 weeks” and “a couple months.”

(Note – if this question is asked again in a future survey, one lesson learned would be to make this a selective range rather than manual, individual write-in. Range could be Less than 1 week, 2-4 weeks, 2-3 months, More than 3 months).

Q14: What challenges do you experience as a home-based business?

Feedback from the 174 responses include 57 responding “None,” fees and taxes and understanding the tax requirements, internet reliability, marketing/attracting clients, feelings of isolation and lack of networking opportunities, noise, administrative tasks take up too much time.

Q15: what could local, county and/or state government do to reduce those challenges?

Reduce taxes and fees, create more markets, shore up the electric grid, provide informative and engaging educational webinars, develop meeting spaces, public clear guidance for starting a business and required documentation and fees.

Q15: Any other thoughts on how the City of Kirkland can support your home business?

Responses were mostly no or covered by previous questions. Some appreciated being asked. Continued interest in markets and pop-ups to sell their products, lowering of taxes, offering of grants and incentives, offering of networking events and educational programming.

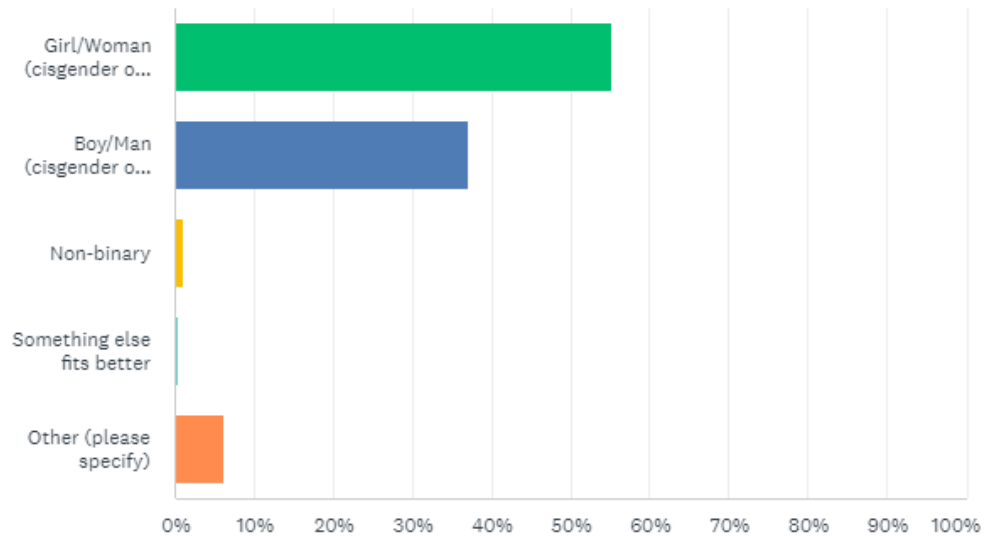
Q16: What language do you prefer to use for future surveys?

English was the preferred language for 97.7% of the respondents. 1 selected Spanish, 1 selected Portuguese, 1 selected French and 1 selected Arabic, Hebrew, and German.

Q17: To which gender identity do you most identify?

To which gender identity do you mostly identify?

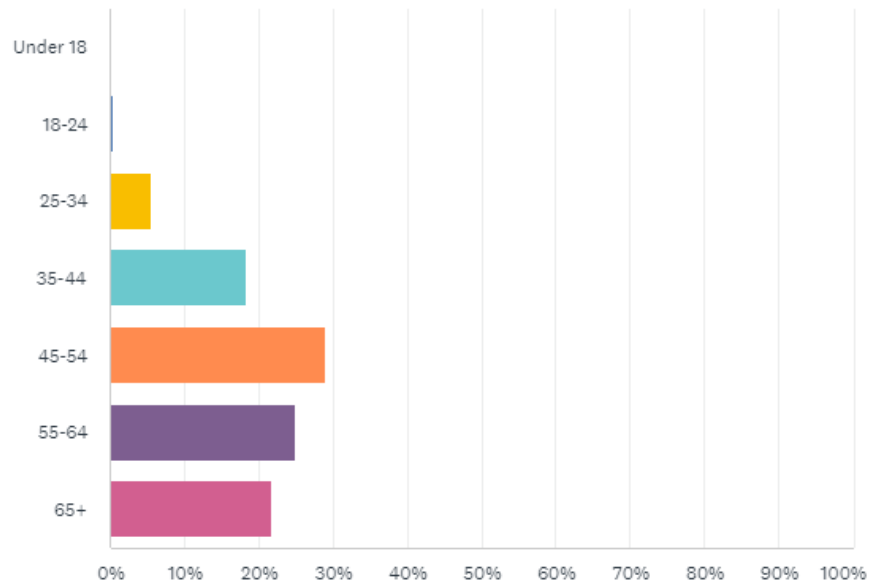
Answered: 194 Skipped: 114



Q18: What is your age?

What is your age?

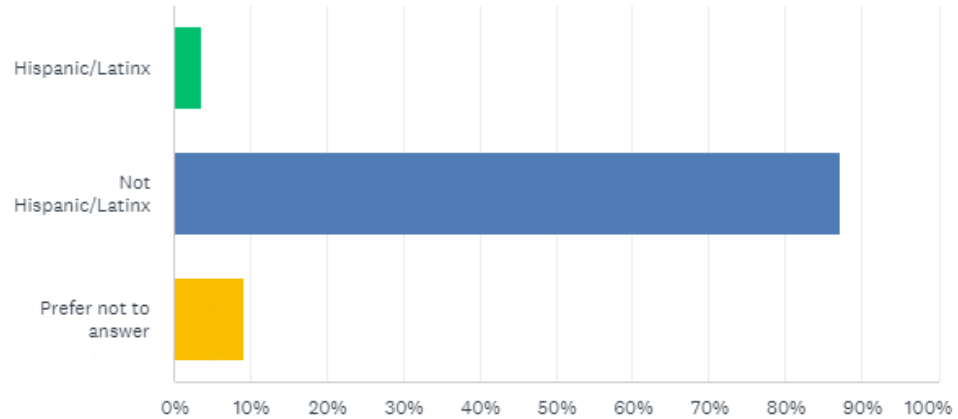
Answered: 197 Skipped: 111



Q20: What is your ethnicity?

What is your ethnicity?

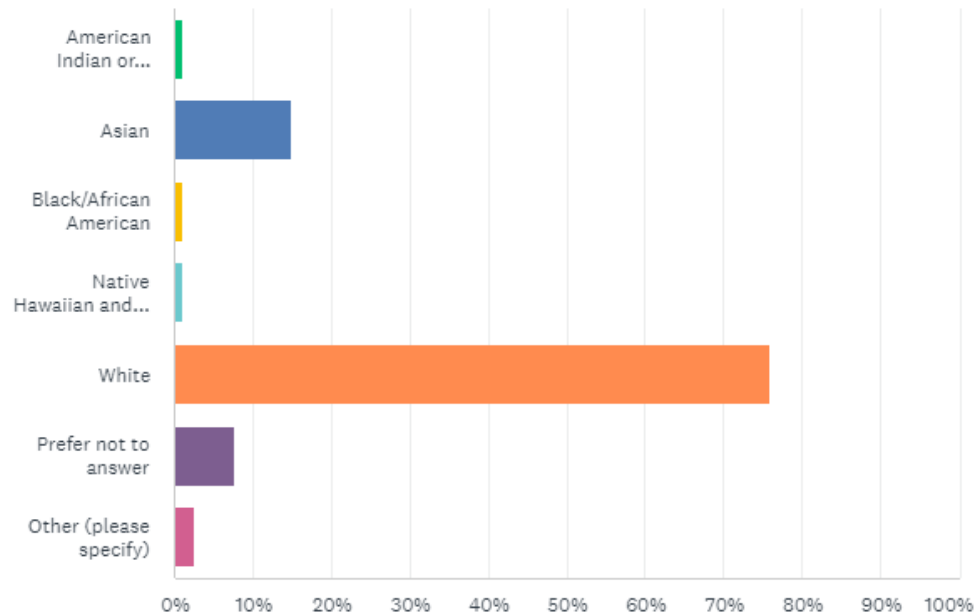
Answered: 196 Skipped: 112



Q21: Do you consider yourself...(Please select all that apply.)

Do you consider yourself...(Please select all that apply.)

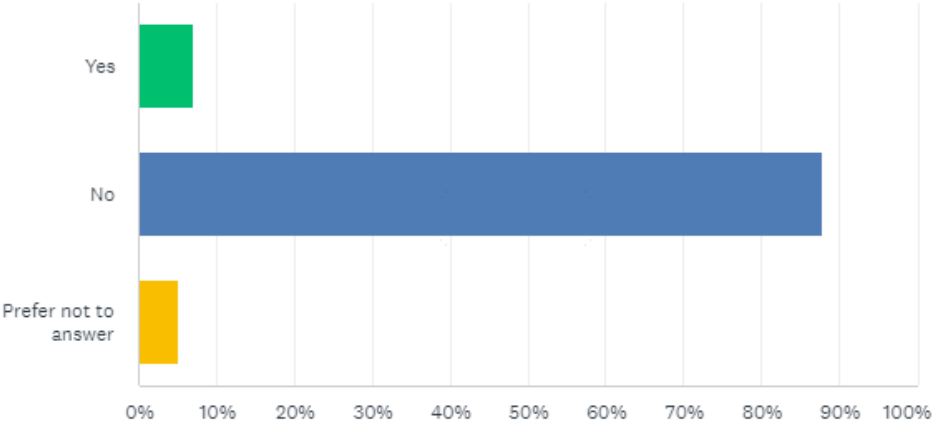
Answered: 195 Skipped: 113



Q22: Are you part of the LGBTQIA+ Community?

Are you part of the LGBTQIA+ community

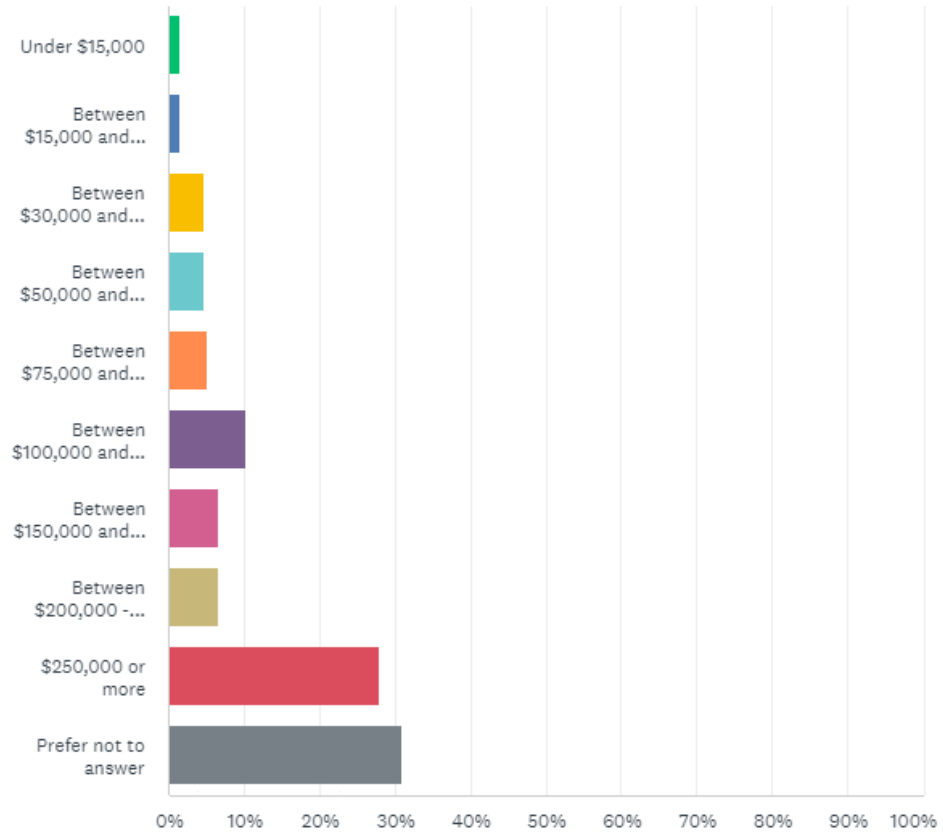
Answered: 196 Skipped: 112



Q23: What is your household income?

What is your household income?

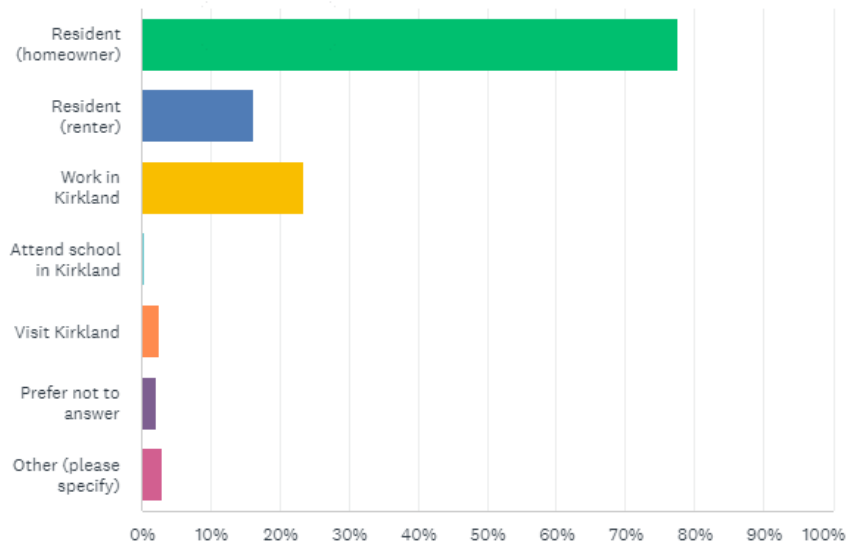
Answered: 194 Skipped: 114



Q24: Last Question! What is your relationship to Kirkland? (Please select all that apply).

Last question! What is your relationship to Kirkland? (Please select all that apply.)

Answered: 197 Skipped: 111



“Other” responses include:

- Homeowner and previous resident; kids attend school in Kirkland, Visit Kirkland.
- Employer of employees home-based in WA.
- Homeowner.
- Own a rental home in Kirkland.
- Business owner in Kirkland.

Q12: How can the City of Kirkland help you maintain or expand your business in your home and beyond?

Ensure best internet always available
Nothing/None
Secure an effective co-working and/or conference/meeting space.
Let businesses know I can help them with business consulting! And provide resources and information!
Would also love potential excise tax deductions for business purchases or for conducting business in Kirkland. That would be a massive incentive to continue operating here in the city.
not charging fees! I have no store front, not a single customer is visiting my home. I am not happy paying Kirkland a fee for my type of business that could happen anywhere and not getting any benefits for working in my home office.
Avendor show of in-home businesses so people know what other small businesses exist right next door or in their neck of the woods. ways for us to advertise or get more exposure w/o breaking the bank.
Limit unnecessary taxes. Reduce excessive overhead and licensing fees. 3
To make the process of adding on to a home easy and quick.
Policies that continue to allow us to rent the property safely, and allow us to continue to find and rent to great tenants as a small time landlord in the long term rental space.
Maybe a directory of services or incentives for using local providers
Not sure. Make it easy for clients to be seen in various locations? Allow me to build separate room attached or not to my home? If needed in future? If it's allowed.
Help subsidize the costs associated with running a small business (i.e. obtaining permits/licenses from Kirkland are a burden for small businesses)
Create more makers markets, incentivize businesses to host makers.
Keep the permitting process accessible to home-based businesses.
I'd like to contact Home schooling groups to offer this classes. If you have any information about locations or phone number/email I'd appreciate it very much.
Promoting my business. 3
What can I do to help the city of Kirkland
Provide small business subsidies, or UBI, or reimbursement for industry-specific business development/marketing resources. Reduce the financial pressure on getting started and learning adequate, industry-relevant skills. (I guess you already sort of do this with health insurance support.) I don't really expect that, and it's the thing that feels like it would be currently most supportive. Or! Start a program where Kirkland provides small business owners with some amount of monthly money that can only be spent at other Kirkland small businesses, along with a list of said businesses. That's kind of like a subsidy and marketing support rolled together. Promote things like https://www.shoplocalkirkland.com/ more, both to business owners and to consumers.
It has been challenging to find affordable business locations that is between 500-800 sqft for a small business like mine. Always wish to find a shared flex space to lease.
Maybe provide a list, like a directory of businesses to contact. If possible, create a monthly network gathering.
Faster permitting process

Cellular coverage and internet access. For example, I need a special device to use my cell phone in my home because coverage isn't adequate through Verizon.
Grants income for new businesses.
The high taxes in this entire state make moving to Texas pretty enticing (if it weren't for all the Texans)
Building an indoor pool would be very helpful. I know the city of Kirkland would benefit and I'm currently commuting to Bellevue Aquatic 3 days a week.
Purchasing advertising in AAA products across America.
Have a retail store that sells local goods that could be provided wholesale or sold on consignment
Provide reliable, high speed internet access.
More networking events, special interest group Happy hours
Little to no taxes until I am able to pay my self a living wage. The model of the Pop Shops on Main in bothell seems to be helpful. More marketing opportunities. Vendor events that only charge a small fee if you sell. Or a small percentage of sales. Ways to create community with other small business owners. An online marketplace that is for the sellers. Etsy charges their sellers unfair amounts and hold them to the standard of being their own employees. But they do not provide us all the things an employer should. Small business owners are exploited by them because they are our only option. I would love to see the government in charge of running a fair online marketplace.
Possibly advice tailored to sole proprietorship consulting businesses. I operate a s-corp and have only two clients...but always wondering if I have the best accounting and tax advice setup for my size and business model.
support me in finding a nice space for my step 2 development support me financially regarding this space communication
By not making radical or sweeping changes to the current laws. My business earns a gross income of about \$30k per year, and if the laws change such that I have to pay more fees or taxes, my business would quickly become unsustainable.
Process my license renewal on time without glitches - when I applied and when I renewed, the city did not take any action until I escalated and emailed. Very frustrating.
Mainly with a space for promotional efforts, or a directory... something like that.
Love how supportive Kirkland is of small businesses.
I would love more support for the Chamber of Commerce; they do great work to support small businesses in Kirkland.
Advertising
Support quality high speed internet and cell service in my area. Support increased reliability of electricity.
Keep City business licensing fees low/affordable.
don't penalize home business development by adding additional taxes and requirements
Not raise taxes. And keep us in mind when making decisions to close our roads, shut off water, it effects my business. Thank You
Overall the City of Kirkland has been very supportive to my small business. Early on, as a new business owner, it would have been helpful to have a list of all of the places I need to apply/sign up for business licenses.
Make building codes simpler

-Make it easier to get permits for detached offices. -Charge less for employees working at home based businesses. I pay for 3 employees. I'm the only full time, the others come to my home-office 6 times a year as they work remotely from home part-time.
Clarity on taxes and requirements
We are currently looking to move our business out of Kirkland due to excessive fees.
Lower fees.
access to grants, Technical support, get government contracts
Make business license costs reasonable. Help make high speed Internet reliable and affordable. Improve the reliability of power supplies. We lose power frequently during wind and snow storms though our immediate area had no above ground wires.
small business classes
Provide conference rooms for free or for rent or allow more people to come to your home-based business for depositions so that I can host them here. There's a minimum of four to five participants for in-person depositions.
Make it easier to discover contracting opportunities from city government and local businesses in Kirkland.
Reinstating masking requirements for indoor spaces would make me feel comfortable participating in public art markets, especially indoor markets
I don't need to expand my business.
Help relax laws on building ADUs and potentially enable some tax benefits from adding square footage to create office space.
Better office spaces in Kirkland
Small business grants
I would expand outside my home if there was a free co-working location in the city limits of Kirkland. Also a free or subsidized MakerSpace or would provide convenient access to tools which would allow me to expand my business.
Remove the headcount tax for small businesses
Encourage mixed use neighborhoods. Regulate landscaping noise.
Make it easier to build a DADU or extend my home.
Allow us to stay in home without crazy fees.
Reduce all business taxes-- between state and city its difficult to grow business. If they were reduced we could expand business and increase tax revenue.
Lower fees for home businesses
Bring Biotech companies to Kirkland
Lower annual fee
Ban gas leaf blowers! (I know it's controversial but you asked.) Bury power lines or otherwise keep the power on all year. Ability to file and pay everything online (including alarm permit)
Our cal de sacs is very dark in the evening, and specifically in winter time when clocks are on winter schedule, the motion system lights we have that only provides some small area around my house is not helping much and I always concern for parents with children when it's dark and rainy outside and they are asking if anything can be done on our street with lights, please let me know if you can help us with this issue, thank you!
One-on-one mentoring as I move from a sole proprietor to an LLC.
Lower the cost of business registration